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Japan

Reportage on SII Talks' Fifth Round Continues

New Public Works Plan Viewed

OW2206085990 Tokyo KYODO in English 0557 GMT 22 Jun 90

[Text] Tokyo, June 22 KYODO—The government is to announce a new five-year plan covering eight public works projects as part of its pledges during the final round of trade negotiations with the United States scheduled for Monday and Tuesday in Tokyo, government sources said Friday.

The plan will cover housing, port facilities, airports, and city parks and will be incorporated in a final report due to be issued in July on the Structural Impediments Initiative (SII). The year-long initiative is aimed at removing structural barriers to trade and investment in both countries.

The total amount of Japanese public works spending over a 10-year period will be also specified in the report.

One aim of the five-year plan, starting from fiscal 1991, will be to raise the average floor space for new dwellings to 95 square meters by the end of fiscal 1995, compared with the current average of 89 square meters.

The per capita space for parks in urban areas, which is now 5.4 square meters, will be raised to more than seven square meters under the five-year program.

The plan also aims to expand the nationwide sewage network to cover some 50 percent of total households from the current 40 percent over the five-year period. A total of 25,000 kilometers of sidewalks will be installed as part of efforts to promote road safety.

The plan calls for major expansion of port facilities for ships involved in foreign trade with the addition of 30 kilometers of wharves throughout the country over the next five years.

Government ministries and agencies will request budget allocations in August to implement the plan.

In a related development, Hideyuki Aizawa, director general of the Economic Planning Agency, told a regular press conference that an advisory body to the chief of the agency's planning bureau will recommend 400-450 trillion yen be spent on public works projects over the 10-year period.

Panel Outlines Land Tax Reforms

OW2206134990 Tokyo KYODO in English 1256 GMT 22 Jun 90

[Text] Tokyo, June 22 KYODO—A panel of tax advisers to the prime minister Friday outlined basic guidelines for a sweeping review of land taxation in a step toward the government halting the land price spiral.

The panel attached to the government's Tax System Council proposed in an interim report the introduction of a new national tax on corporate land holdings while recommending heavier taxes on idle or less used land.

The report also calls for a study of the option of taxing now favorably treated farm land in areas designated for urban development at the same rate as housing land.

The report says the present tax burden on land ownership is too light and that more appropriate tax rates must be applied to land assets in order to prevent speculative land purchases based on expectations of higher land prices.

Land prices have skyrocketed in recent years, putting home ownership out of the reach of average salaried workers and widening disparities between haves and have-nots in land assets.

The report's release comes just before Japan and the United States hold a final round of bilateral Structural Impediments Initiative (SII) trade talks aimed at dismantling structural barriers to rectifying a huge trade deficit the U.S. has with Japan. Inflated land prices in Japan are one of the issues raised at the SII talks. U.S. officials complain that sky-high land prices prevent foreign companies from doing business here.

The advisory panel will map out a final report by early November to serve as part of the basis of a package of tax reforms the Finance Ministry plans to carry out in April 1991.

U.S. Patent Proposals Opposed

OW2206120190 Tokyo KYODO in English 0954 GMT 22 Jun 90

[Text] Tokyo, June 22 KYODO—The United States has called on Japan to accept a set of tough proposals that would force a complete change in the present Japanese patent system, a government source said Friday.

The U.S. call was made in exchange for its agreement on accepting the "first to file" system, dropping the "first to invent" system on which it has so far insisted, in which the patent right is awarded to the first inventors, according to the source.

The move came amid ongoing expert-level meetings of the World Intellectual Property Organization (WIPO), a specialized body under the United Nations, aimed at patent harmonization among major industrial nations. The source said Japan opposes the U.S. proposals, including one that would require patent screening to be completed within two years.

The U.S. also asked that Japan start examination of patents within three years after an application to the patent office. Other U.S. proposals include the prohibition of filing an objection by a third party to a patent before it is formally authorized, as well as the acceptance of applications written in the inventor's mother tongue, the source said.

The Japanese patent system has been under attack from the U.S. because of a significant delay in the registration of patent rights in Japan. Japan's rejection of the U.S. proposals will be conveyed to U.S. negotiators at the final round of Structural Impediments Initiative (SII) talks scheduled for next week, the source said.

Japan is likely to face difficulty in ironing out differences in the patent mechanism with the U.S. at a time when other major industrialized countries are making substantial concessions to achieve international standardization of the patent system, the source said.

Abe, Brady Discuss Final Report

OW2306080690 Tokyo KYODO in English 1548 GMT 22 Jun 90

[Text] Washington, June 22 KYODO—U.S. Treasury Secretary Nicholas Brady said Friday a sharp boost in Japan's public works spending is the key for the successful conclusion of bilateral Structural Impediments Initiative (SII) trade talks.

Brady told Japan's special envoy, former Foreign Minister Shintaro Abe, that failure to produce a good final SII report would invite Congress to introduce protectionist legislation similar to the Super 301 Provision of the 1988 Trade Act, a senior Japanese official said.

"We consider public works spending as very important," the official quoted Brady as telling Abe. "We want to see further progress" for the conclusion of the SII dialogue before the Houston economic summit to be held on July 9-11. Brady made the remarks after Abe emphasized that the issue of infrastructural spending is "very important" in Japan.

Under the SII talks, aimed at correcting the persistent current account imbalance between the two nations, the U.S. is calling on Japan to allocate up to 10 percent of its gross national product (GNP) a year to build or improve roads, airports, parks and other public facilities over a 10-year period.

The official said Brady also reminded Abe that the U.S. has initiated the SII as a substitute for a Super 301-type approach to trade disputes with Japan.

Abe assured Brady that "Japan will endeavor to produce a final report which will get favorable assessment from both the U.S. Congress and the Japanese Diet."

As in his talks with Secretary of State James Baker on Wednesday and President George Bush on Thursday, Abe expressed the hope that the two countries could hammer out a final SII report during two days of talks in Tokyo on Monday and Tuesday.

U.S. Trade Representative Carla Hills, who joined Brady in his meeting with Abe, said Tokyo and Washington should build on the midterm SII report, which was released in April. Hills also told Abe that the SII is beneficial for both countries, the official told reporters.

U.S. Requests More Compensation

OW2406070790 Tokyo KYODO in English 0616 GMT 24 Jun 90

[Text] Tokyo, June 24 (KYODO)—The United States wants Japan to double the amount of compensation that can be paid to people and companies hurt by violations of the antimonopoly law, a U.S. Government source says. The U.S. told Japan in ongoing trade talks that it would reduce its own legal limits on compensation—triple the damage done—to victims of antitrust violations, but only if Japan agrees to the U.S. request, the source said late Saturday.

The Japanese law requires compensation equal to damage but the U.S. wants it to be double the amount of damage. Japanese officials, however, say they likely will reject the demand because it would be inconsistent with damages sought under other laws and might trigger disturbingly frequent damage lawsuits against companies.

Officials of the Japanese Fair Trade Commission (FTC) said the issue is among several to be discussed on Monday and Tuesday during the final round of Structural Impediments Initiative (SII) talks in Tokyo. The two countries plan to issue an SII report after the talks, which are aimed at eliminating barriers to bilateral trade and investment.

In an interim report issued in April, Japan pledged to take "appropriate measures" so that "the current damage remedy system will be effectively utilized." The U.S. says Japan is lax in enforcing the antimonopoly law and has failed to dissuade unfair business practices to the detriment of consumers.

The FTC is mapping out guidelines for more rigid implementation of the law in accordance with the interim report. It has vowed to improve enforcement of the law and file more actions against businesses that engage in exclusionary practices.

Extension of Talks Reported

OW2606155490 Tokyo KYODO in English 1509 GMT 26 Jun 90

[Text] Tokyo, June 26 KYODO—Last ditch efforts by Japanese and U.S. trade negotiators to bridge their differences on key issues in the final round of Structural Impediments Initiative (SII) talks were getting nowhere late Tuesday, and the talks will be extended to Wednesday, government officials said.

The most ticklish subject in the ongoing talks—the level of Japan's public works spending over the next decade—was likely to require a high-level political decision by

Prime Minister Toshiki Kaifu, which could be made Wednesday, the officials said.

On the second day of the talks, the two sides resumed their debate over this and other sticky issues involving structural barriers to trade on the Japanese side after discussing U.S. structural ills like the huge Federal budget deficit and low savings rate.

But the gap in stances on Japan's public investment plans showed no sign of narrowing, making it increasingly likely that a final decision will be left to Kaifu Wednesday, the officials said.

Japan on Monday proposed spending 415 trillion yen on public works projects in the ten years from fiscal 1991, but the U.S. refused the offer, claiming it was insufficient to make a substantial dent in the 49 billion dollar U.S. trade deficit with Japan.

U.S. Government officials said the talks will be extended at least into Wednesday. "We will be going on tonight and tomorrow and it's difficult to say whether we will be able to finish these talks tomorrow or not," said one of the U.S. officials, who spoke to reporters on condition of anonymity.

He said a major part of Tuesday's discussions focused on what efforts the U.S. has been making in the area of savings and investment, one of the seven areas of Japanese concern with regard to structural problems on the U.S. side.

A senior official at the Ministry of International Trade and Industry (MITI) said the issue of shortening Japan's patent granting process might also have to be left to high-level political decision. The official, who refused to be identified, said the U.S. request that Japan shorten the vetting period to around 24 months from the current 37 or so months is not the kind of matters that the MITI and the patent office alone could decide on.

Japan has said it will cut the required processing time to around the European Community's average of 30 months in the next five years. "If the U.S. sticks to its current stance, there will be no agreement until Wednesday," the MITI official said.

U.S. Trade Representative Carla Hills told visiting former LDP [Liberal Democratic Party] Secretary General Shintaro Abe last week in Washington that if the current Tokyo round of SII talks fails to reach a final agreement, the U.S. would be willing to have another round just before the scheduled meeting between Kaifu and President George Bush prior to the annual summit of seven major industrial countries in Houston July 9 through 11.

Hills reportedly said that if the two countries failed to hammer out a final report on the outcome of the talks by Wednesday, the U.S. delegation would return home to prepare for another round.

As for problems of the U.S. side taken up in the Tokyo talks, the U.S. revealed that it has deleted from its draft of a final report its former pledge to eliminate the budget deficit by 1993, citing the slowdown in the economy.

The U.S. Federal budget deficit in fiscal 1991 is expected to top 100 billion dollars, far higher than the government's earlier projection of 64 billion dollars. Japan insisted that the goal of eliminating the deficit by 1993 is essential for reducing the trade deficit.

The U.S. official who briefed reporters said that the U.S. side described measures the U.S. Government has made to continue to reduce its massive budget deficit. He said Japan was told of the bipartisan effort by both the Bush administration and Congress to deal with the red ink.

But since the White House budget talks are not yet finished, the U.S. side was not able to offer Japan precise estimates of the magnitude of the reduction, he said. Instead, the U.S. delegation explained the content of the administration-congressional talks and stressed their importance, not only for reducing the deficit, but for bringing about significant budget reform and strengthening the Gramm-Rudman-Hollings (GRH) process.

The U.S. official said the U.S. side explained the intention of strengthening the GRH act, which also currently calls for budget balance by 1993, by extending its provisions beyond 1993. He said that by doing so, the government aims to achieve not only budget balance "but actually to go into budget surplus after 1993."

Strengthening of the act will also be achieved through an improvement of control over expenditures during the current calendar year, he said. He said the two sides discussed the use of surplus social security funds to slash the budget deficit.

The U.S. side said a plan will be worked out in the White House budget talks to reduce outstanding government debt by an amount equal to the social security surplus.

The U.S. official said the two sides also discussed antitrust provisions in the U.S., various aspects of product liability, and efforts at export deregulation. He said that "good progress" had been achieved in discussions of the deregulation of the distribution sector in Japan and of the U.S. budget deficit measures.

The official denied that Japan suggested the U.S. increase gasoline taxes. "The Japanese side did not raise specific items of taxation," he said.

"There was some discussion of the importance of restraining consumption and stimulating savings and what actions we might take to do that," he said. He said the U.S. side noted that Bush has outlined a plan to stimulate savings through such schemes as "family savings accounts."

Asked if the final report might be delayed until next month, he said: "it certainly is a possibility, but at this point I think it's best for us to continue talking and hope to finish it up as soon as possible."

He said that both sides were pinning their hopes on the continuing discussions tonight and tomorrow. "Depending on what is actually said, we could finish while we are here in Tokyo or we could finish later next week," he said.

The U.S. also pointed out that Japan's projection of its economic growth in the five-year economic plan compiled in 1988, which put the annual average growth of the gross national product at 4.75 percent in nominal terms, is too low considering past records, government sources said.

Japan based its public works spending proposal on the figure, arguing that 415 trillion yen in public investments in the next 10 years means an average annual increase of 5.7 percent in spending.

But Japan's annual economic growth in the five years up to fiscal 1989 averaged 5.6 percent. The U.S. has said if Japan's economy continues to expand at the current rate, 415 trillion yen in public spending will not help raise the spending's percentage ratio to GNP by any substantial margin.

Japan countered that the 415 trillion yen is the largest possible amount for public spending to enable Japan to bolster its social infrastructure without risking inflation, the sources said.

The Japanese negotiators also explained that the proposed 33 trillion yen investment by former state-run firms like Nippon Telegraph and Telephone Corp. and the Japan Railway Group will also make a considerable contribution to stimulating domestic demand, they said.

With regard to the follow-up system for the SII talks, Japan accepted the U.S. request that the follow-up meetings produce a report annually, according to the sources. Japan's concession on the point enhanced the possibility that the U.S. will accede to Japan's conditions that no new issues will be taken up at the forum and the meetings will be held no more than twice a year, they said.

On the issue of surcharges against cartels, the U.S. called on Japan to state by how much the penalties will be raised. But Japan refused to do so, citing the fact that an advisory panel to the Fair Trade Commission is working to come up with a recommendation on the matter by the end of the year.

The U.S. side is apparently becoming inclined to accept Japan's stance on conditions that the surcharge issue will be discussed at the follow-up forum, the sources said. The two parties have already started drafting the final report, they said.

Kaifu, Hashimoto To Meet

OW2606211690 Tokyo KYODO in English 1642 GMT 26 Jun 90

[Text] Tokyo, June 27 KYODO—Prime Minister Toshiki Kaifu and Finance Minister Ryutaro Hashimoto will meet Wednesday night to make a crucial political decision aimed to settle the issue of how much Japan should spend on public works projects in the next 10 years, a source close to Kaifu said late Tuesday.

The issue is the principal snag in bringing to an end the Structural Impediments Initiative (SII) talks between Japan and the United States. The trade negotiators from both countries have been working here since Monday on a final report on the yearlong talks. They announced an interim report in April this year.

Kaifu and Hashimoto will decide on how much the government should add to the 415 trillion yen it proposed on Monday for the 10-year spending plan. The U.S. rejected the offer, saying the figure is too low to make a significant dent in the towering U.S. trade deficit with Japan, which last year totaled 49 billion dollars.

The source also said the final report will be announced Thursday morning. Kaifu will release his comment at the same time as the announcement of the report, both of which are to be approved at a cabinet meeting earlier in the morning, the source said.

Meanwhile, a top Foreign Ministry official said early Wednesday that the ongoing final round of SII talks will likely finish drafting a final report by the end of the day.

The official, who spoke on condition of anonymity, said: "If the talks could be concluded in another round next week (as indicated by some U.S. officials) they should be able to be concluded in the current round." Considering the schedule of the summit meeting of major industrial countries (slated for July 9-11 in Houston), holding a meeting next week is quite difficult, he said.

He said Japan and the U.S. again failed in Tuesday's meeting to produce any agreement on the six issues concerning Japan's structural trade barriers. But, he added, the two sides are still working on the draft of the final report, which will continue into Wednesday. The two sides decided to meet at 9:30 A.M., Wednesday, he said.

Kaifu May Make 'Bold' Decision

OW2706104990 Tokyo KYODO in English 1015 GMT 27 Jun 90

[Text] Tokyo, June 27 KYODO—U. S. delegates to talks on structural barriers to trade between Japan and the U.S. say they expect a bold political decision by Prime Minister Toshiki Kaifu late Wednesday to break an impasse on key issues.

Japan and the U.S. Wednesday resumed their talks for an unscheduled third day in the fifth and final round of the Structural Impediments Initiative (SII). The two sides have been locked in hectic negotiations over measures to rectify problems in both countries which they believe distort their trade, but have so far failed to agree on what should be included in the final report to the SII talks.

The two parties have agreed on some of the topics on the negotiating table, but remain far apart over the issue of how much Japan should spend on public works projects in the next ten years, Japanese Government sources said.

The U.S. rejected Japan's proposal to spend 415 trillion yen in the coming decade to boost domestic demand, arguing the figure is not sufficiently large to trim Japan's huge trade surplus with the U.S. running at nearly 50 billion dollars yearly.

The tremendous political and economic implications of increasing the offer have made it certain that Kaifu will himself decide on the matter. The U.S. negotiators are apparently waiting for Kaifu's decision to resolve the issue.

Charles Dallara, assistant treasury secretary for international affairs, said Wednesday morning he was expecting an overnight political decision. Dallara said it is important for Japan to articulate its firm commitment to reducing its large current account surplus.

Linn Williams, deputy U.S. trade representative, said he was aware Kaifu and some other senior Liberal-Democratic Party legislators are deeply involved in deciding on the issue. He said the meeting will probably end on Wednesday or Thursday and that nobody wants it to last until the summit meeting of major industrial countries slated for July 9-11 in Houston.

The two governments have already neared agreements on four out of the six problem categories concerning Japan's trade barriers, government sources said. That leaves two issues—Japan's public works spending and shortening of the patent-granting process—as the only remaining snags to concluding the talks.

On the issue of swifter granting of patents, the U.S. has been demanding that Japan shorten the period to around 24 months from the current average 37 months through increasing the patent office staff by 100 annually for the next five years.

Japan proposed shortening the period to the European Community's average of 30 months, but the U.S., where the same process takes only 18 months, is not satisfied by the offer, the sources said.

A top-ranking official of the Ministry of International Trade and Industry has suggested the patent issue will also be left up to Kaifu since increasing the number of government personnel sharply is a problem that the bureaucrats cannot decide on themselves.

On Japan's land policy, Tokyo explained a recent government panel report calling for the introduction of a new national tax on corporate land holdings and heavier taxes on idle or less used land. The U.S. accepted Japan's stance that the government will seek revisions of the land legislation by the end of the year on condition that the issue will be a topic in the follow-up meeting.

The U.S. has made a concession on the follow-up forum, agreeing to limit the scope of the subjects to be taken up there to the six issues that have been tackled in the talks.

With regard to so-called Keiretsu relationships between companies that have cross-ownership ties, Japan proposed requiring companies to disclose information about transactions with a firm in which it has a 10 percent or higher equity stake. U.S. officials appreciated the proposal, according to the sources.

Kaifu, Bush Fete Anniversary of Security Treaty

OW2206145290 Tokyo KYODO in English 1428 GMT 22 Jun 90

[Text] Tokyo, June 22 KYODO—Japanese Prime Minister Toshiki Kaifu and U.S. President George Bush feted the 30th anniversary of the Japan-U.S. security treaty in a telephone conversation Friday, calling the pact the key to mutual understanding.

Kaifu told Bush that, thanks to the security pact, Japan has been able to live in peace and enjoy free trade that has led to its current prosperity, a Foreign Ministry official said in a briefing to reporters.

Bush told Kaifu that the 30-year pact has helped deepen mutual understanding among Japanese and Americans, the official said.

The two leaders agreed during the 20-minute phone call to meet before the July 9-11 Houston summit of seven major industrialized nations for wide-ranging talks. "I want to talk in a relaxed atmosphere," Bush was quoted as saying.

Kaifu billed the pre-summit tete-a-tete as an opportunity to discuss their "global partnership," the official said. Kaifu said he hopes to discuss policies toward the Soviet Union and China, and hear from Bush about his attendance at the upcoming NATO summit talks on the security of Europe.

Neither of the two mentioned the Structural Impediments Initiative (SII) talks aimed at removing structural barriers to trade and investment. The two countries are scheduled to hold a fifth round of SII talks in Tokyo on Monday and Tuesday. A final report on the trade talks is due next month.

Bush complimented Kaifu on his high support rating, and said that he was satisfied with the cooperation the two leaders have exerted in bilateral relations. Support for Kaifu's cabinet has soared in recent months, reaching 63 percent in June, according to a KYODO NEWS SERVICE poll.

The conversation was the sixth between the two men since last August, when Kaifu became prime minister.

Reactions of Opposition to U.S. Security Treaty

OW2206115590 Tokyo KYODO in English 1028 GMT 22 Jun 90

[Text] Tokyo, June 22 KYODO—The Japan Socialist Party, the country's largest opposition party, on Friday called for changing the Japan-U.S. security treaty into one for political and economic cooperation between the two countries in the era of global detente.

JSP Secretary General Tsuruo Yamaguchi, issuing a statement on the 30th anniversary of the 1960 security pact, said that the JSP was right to have opposed the signing of the revised treaty in the context of the severe cold war between the United States and the Soviet Union 30 years ago.

Yamaguchi said Japan and the U.S. can now develop the pact into a more comprehensive one, promoting mutual confidence, and that the JSP will undertake sincere consultations with the U.S. to help change the nature of the treaty.

Japan's second largest opposition party Komeito made a more positive assessment, saying that the treaty has played a role in maintaining Japan's security. Kazuo Ichikawa, secretary general of Komeito, said that the party supports the continuation of the treaty, but he said Japan should make every effort to build an international society where the Japan-U.S. security treaty is no longer necessary.

Democratic Socialist Party (DSP) policy chief Kansei Nakano said history has shown the correctness of the DSP's view that the treaty has contributed to peace and stability in Japan. Nakano said the DSP pledges to support the continuation of the treaty arrangement, placing the emphasis on political and economic cooperation between the two countries.

United Social Democratic Party Secretary General Shogo Abe also said that the treaty should be broadened from the military aspect to political, economic, and cultural aspects.

Nishihiro, U.S. Pacific Forces Head Meet

OW2206132790 Tokyo KYODO in English 1241 GMT 22 Jun 90

[Text] Tokyo, June 22 KYODO—The Commander in Chief of the U.S. Pacific Forces, Adm. Huntington Hardisty, on Friday denied the United States would enter negotiations proposed by the Soviet Union for naval reductions in East Asia, Japanese Defense Agency officials said. In a meeting with Seiki Nishihiro, vice minister of Japan's Defense Agency, Hardisty stressed that the U.S. naval presence ensured the safety of the world's maritime transportation network and remarked that it was not something to be negotiated with the Soviets.

Hardisty pointed out that since Kremlin leader Mikhail Gorbachev assumed power the Soviet Navy has been strengthened while its firepower has grown three-fold. Acknowledging that measures to create mutual trust between the two navies—such as simultaneous port calls by U.S. and Soviet ships—have increased recently, Hardisty remarked that such things had their limits.

Regarding the Japan-U.S. defense arrangement in the rapidly changing international situation, the American admiral said cooperation was essential in securing sealanes shared by Japan and the U.S. Further, Hardisty appeared to ask for Japan's cooperation in America's planned troop reductions and Asian strategy, saying he was looking for an "opportunity" within which to pursue a new framework of security.

Nishihiro, however, cautioned that in the narrow sense of the notion of "security cooperation" between Japan and the U.S., cooperation was regulated by the Constitution and other factors, indicating that there is a limit to Japan's military cooperation.

"We have entered a new international situation with such things as the changes in the Soviet Union and it is important to think of security cooperation in broader terms," Nishihiro was quoted as saying. "Japan must also make its best efforts," Nishihiro said, hinting that Japan would consider contributing to Asian security through economic and other nonmilitary aid.

Moscow Radio on Return of U.S. Base Land

OW2706063390 Moscow Radio in Japanese to Japan 1200 GMT 25 Jun 90

[Announcer-read report by Moscow Radio Tokyo correspondent Potapov]

[Text] Seventeen parcels of U.S. base lands with a total area of about 1,000 hectares in Okinawa will be returned to Japan. This has been agreed upon at recent Japan-U.S. negotiations and in the past few days.

The mass media in Japan have been reporting results of the Japan-U.S. negotiations. News on the results of the Japan-U.S. negotiations are arousing various reactions among ordinary people in Japan. Remarks and statements made by the conservative camp highly praise an agreement reached at the Japan-U.S.negotiations, calling it a historic event and maintaining that the agreement is a vindication of the U.S. Pentagon's new approach to meet the desires of Okinawan residents.

However, discontent with the agreement is mounting among some people in Japan. They are criticizing Prime Minister Kaifu's 23 June visit to Okinawa Prefecture as a showy, halfway act designed to dampen the mounting campaign among Okinawan residents against U.S. military bases. Kosuke Uehara, who is a member of the House of Representatives hailing from Okinawa, stated his views as follows:

"As is known, U.S. military bases in Okinawa occupy 250,000 hectares of land, and 75 percent of U.S. forces in Japan are concentrated in Okinawa. Although nearly 20 years have passed since Japan regained administrative power in Okinawa, this state remains unchanged. The Okinawan people have strongly asked the government to take concrete measures and this has led to the announcement of a plan to scale down the size of U.S. military bases in Okinawa to some extent. Frankly speaking, the desires of Okinawan residents were betrayed because the agreement was no more than a showy measure. Therefore, Okinawan residents should carry out more vigorous activities to have U.S. military bases reduced and withdrawn in response to the world moving in a positive direction toward easing tensions. With the aim of putting an end to U.S. military bases in Okinawa, we are resolved to continue the campaign steadfastly and thoroughly. We plan to tenaciously ask the government to take concrete measures toward that end. This is what we Okinawans think. Repeating, we are not content with the latest agreement reached at the Japan-U.S. negotiations."

Foreign Minister on Lifting Ban on PRC Trade

OW2006083090 Tokyo KYODO in English 0703 GMT 20 Jun 90

[Text] Tokyo, June 20 KYODO—Foreign Minister Taro Nakayama said Wednesday he told U.S. Secretary of State James Baker that to prevent isolation of China, Japan will lift its ban on official loans to that country if favorable terms are agreed to. Nakayama, who met Baker in San Francisco last Friday, made the remarks at a session of the Foreign Affairs Committee of the House of Representatives.

Japan has withheld implementation of an 810 billion yen loan package to China since the military crackdown on prodemocracy demonstrators in Beijing a year ago.

Nakayama also said he will ask Soviet Foreign Minister Eduard Shevardnadze whether Japan must negotiate with both the Central Government of the Soviet Union and the Russian Federation Government concerning a territorial dispute over islands off Hokkaido following a declaration of sovereignty by the federation. Shevardnadze is to visit Japan this September.

The Russian Republic's legislature passed a declaration of sovereignty June 12 and said its laws carries the highest authority on the republic's territory.

Hokkaido Governor on USSR Visit, Territories

OW2706103390 Tokyo KYODO in English 0952 GMT 27 Jun 90

[Text] Tokyo, June 27 KYODO—Hokkaido Gov. Takahiro Yokomichi told Foreign Minister Taro Nakayama on Wednesday that there is growing sentiment in the Russian Federation of the Soviet Union that the country's territorial dispute with Japan "cannot be circumvented," Foreign Ministry officials said.

Yokomichi made the remarks in briefing Nakayama after returning from a nine-day visit to the Soviet Union on June 22. The governor said he discovered a spreading sentiment in the Russian Federation and in its far eastern territory that "something has to be done to resolve the territorial problem, which cannot be circumvented." In particular, he quoted Russian Federation Deputy Prime Minister Leonid Gorshkov as "clearly saying that the territorial problem must be solved," officials said.

Yokomichi's visit to the Soviet Union was at the invitation of the Russian Federation, which on June 12 declared the sovereignty of its laws over those of the Soviet Union. Japan lays claim to four islands which now lie within the administrative jurisdiction of the Sakhalin District of the Russian Federation.

Japan alleges that the islands off northeastern Hokkaido were unlawfully seized by the Soviets as spoils of World War II.

Yokomichi said he was told during his visit that, in view of the Russian Federation's strengthened sovereignty, there would at least have to be a public referendum held in the Sakhalin Administrative District, if not all of Russia, before any decision could be made on a return of the islands to Japan.

Yokomichi noted that during his trip he also met with Soviet Communist Party Secretary Aleksand. Yakovlev, a close confident of President Mikhail Gorbachev, and broached the territorial issue.

He said that in a meeting with M.A. Titarenko, director of the Soviet Academy of Sciences Institute of the Far East, the east Asian affairs specialist suggested three steps to be taken toward the return of two of the disputed islands to Japan. Titarenko reportedly told Yokomichi that following the removal of Soviet forces from the disputed islands, the Soviets should rescind a 1960 memorandum which nullified a previous promise to return two of the islands upon the conclusion of a peace treaty.

In the third stage, the two countries should implement trust-building measures with respect to the islands such as engaging in their joint development.

Yokomichi said as one indicator of change in the Soviet Union, Soviet authorities prevented him during a previous visit there from distributing literature which explained the Japanese view on the territorial issue. But during his most recent visit, he was able to pass out such literature, published in Russian, to over 100 persons without any trouble, he said.

Nakayama was quoted as telling Yokomichi that Japan-Soviet relations will really begin in earnest when Soviet Foreign Minister Eduard Shevardnadze visits Tokyo this coming September.

Nakayama Pledges Aid for Indochinese Refugees

OW1906141690 Tokyo KYODO in English 1318 GMT 19 Jun 90

[Text] Tokyo, June 19 KYODO—Foreign Minister Taro Nakayama on Tuesday pledged Japan's future assistance in relief of Indochinese refugees. Nakayama told the visiting United Nations High Commissioner for Refugees, Thorvald Stoltenberg, that Japan would commit personal and financial cooperation under the UN Repatriation Program if Cambodia achieves a peace settlement through a UN-led election, Japanese officials said.

Stoltenberg is on a June 17-20 Japan tour to strengthen his office's relations ties with Japan, UNHCR's Japan office said.

Noting Japan's further commitment to Cambodian peace initiatives, Nakayama also said in the meeting that Japan is ready to expand cooperation in a job training program for Indochinese refugees.

Nippon Credit Bank Forms British Partnership

OW1906141990 Tokyo KYODO in English 1208 GMT 19 Jun 90

[Text] Tokyo, June 19 KYODO—Nippon Credit Bank Ltd. said Tuesday it has established a partnership with a big British investment management concern, in advance of upcoming German monetary union and European market integration in 1992. The bank and Gartmore Investment Management Ltd. have formed Nippon Credit Gartmore Investment Management Ltd., which is to begin international investment management business in August.

With a 60 percent stake in the 400,000 pound joint venture, the Japanese bank will take the lead in management, having four directors on the seven-member board of the new company.

The alliance is a realization of the company's belief that Japanese money will play a greater role in a unified Germany and the ongoing economic reforms in East Europe. It also reflect the bank's plan to acquire know-how in international investment management service.

Indonesia's Alatas on 'New International Order'

BK2706015690 Jakarta Domestic Service in Indonesian 0000 GMT 27 Jun 90

[Text] Foreign Minister Ali Alatas says Indonesia has no objection if Japan wants to increase its political role in line with its economic progress. However, the foreign minister stressed that certain important aspects of Japan's growing political role must be understood, one of which is the direction the growing political role will take.

Speaking to a gathering of the Indonesian community in Tokyo last night, Minister Alatas said Japan's quest for a greater political role is part of the global development, which is seeking a new international order. Such a quest has both positive and negative impacts. Indonesia should anticipate and watch closely the negative impacts.

The foreign minister also pointed out the similar and different approaches adopted by Indonesia and Japan in coping with this new situation. However, the different approaches will not strain the close bilateral relations because differences of opinion can be ironed out through dialogue and exchange of views.

Lower House Approves Proposed Revision of Tax

OW2206082090 Tokyo KYODO in English 0656 GMT 22 Jun 90

[Text] Tokyo, June 22 KYODO—The House of Representatives approved a government-proposed package of bills to modify the consumption tax on Friday, while killing a package of bills sponsored by opposition parties designed to scrap the tax. The government-sponsored bills were sent to the House of Councillors but are certain to be rejected because the ruling party and the opposition camp have agreed not to debate the bills during the current Diet session which ends next Tuesday.

The ruling Liberal Democratic Party and the opposition camp are expected to discuss how to handle the consumption tax issue at a council to be set up within the Diet. The LDP will put forward a proposal next Monday to set up the council, party officials said.

Four opposition parties—the Japan Socialist Party, Komeito, the Democratic Socialist Party, and the United Social Democratic Party—submitted a package of bills in April to scrap the consumption tax. The package contains similar provisions to bills passed by the opposition-controlled upper house last December. Those bills were killed without even being debated by the lower house, which is dominated by the ruling Liberal Democratic Party.

Under the government bills, which were submitted in March, food would be exempt from the 3 percent tax at the retail level. The tax rate would also be cut to 1.5 percent for food producers and wholesalers. Exemptions would also be made for school entrance fees, house rents, childbirth expenses, and five other categories.

The unpopular consumption tax, imposed on almost all types of goods and services in April last year, was considered one of the reasons for the LDP defeat in the July 1989 election for the upper house in which it lost its overall majority for the first time since its founding in 1955. The opposition camp promised to scrap the tax during the election campaign.

The LDP proposed revisions in the tax after the upper house election, and in a general election for the lower house in February it retained a stable majority. During the election campaign, Prime Minister Toshiki Kaifu promised a complete revision of the tax.

Kaifu Seen Triumphing Over Smooth Diet Session

OW2606153490 Tokyo KYODO in English 1437 GMT 26 Jun 90

[Text] Tokyo, June 26 KYODO—Prime Minister Toshiki Kaifu on Tuesday closed his first full session of the Diet with the passage of a high 94 percent of bills, defying yet again political pundits who earlier predicted that a difficult parliamentary session might shake his hold on power.

The spring session opened after the ruling Liberal Democratic Party's (LDP) victory in February's general election amid warnings that opposition control of the less powerful House of Councillors would complicate passage of legislation. Political soothsayers warned that discord over last year's consumption tax might stall parliament and help pull down Kaifu.

After 120 days of relatively smooth debates the two houses of parliament adjourned for summer recess with all but four of the 70 bills passed into law, including the budget with income from the consumption tax.

The opposition-dominated upper house refused to pass the 66.27 trillion yen budget for fiscal 1990, starting in April, but it became law due to the constitutional priority on budget bills accorded the house of representatives.

The session left several major political hot potatoes unresolved. Lawmakers opted to avoid full-blown debate on bills pertaining to the 3 percent consumption tax introduced in April 1989. The tax was regarded as a decisive factor in bringing an unprecedented defeat to the LDP in July's House of Councillors election, and the ruling and opposition parties had submitted opposing bills seeking its revision or repeal.

A committee of 17 influential officials from seven political parties met Tuesday to launch discussions on the future of the tax.

Kaifu, who hails from the weakest of the LDP's five factions, owes his success in parliament in part to the helping hand he has received from leaders of the most powerful faction, that of former Prime Minister Noboru Takeshita. Kaifu was plucked from the faction led by former State Minister Toshio Komoto to serve as prime minister last August in order to help the ruling party recover from money and sex scandals.

More prominent LDP leaders were implicated in the Recruit stock-for-favors scandal.

Kaifu's high popularity ratings and his good showing in diplomatic relations—marked by comebacks in Structural Impediments Initiative trade talks with the United States, due to wind up this week—have also helped the former education minister consolidate his grip on power.

Challenges expected in the latter half of the year include reform of the electoral and political funding systems, and debates in multilateral trade talks on liberalization of Japan's rice market.

In December Kaifu is expected to reshuffle his cabinet for the second time, and will face some difficult political decisions on whether to include politicians tainted in the Recruit scandal.

Meanwhile, Kaifu is expected to keep a busy travel itinerary, with trips scheduled to the July 9-11 Houston summit of seven industrialized nations, and to the Middle East in August.

Economic Agency Reports Increased Growth

OW2606063090 Tokyo KYODO in English 0830 GMT 19 Jun 90

[Text] Tokyo, June 19 KYODO—Brisk domestic demand helped Japan's economy to grow an inflation-adjusted 5.0 percent in fiscal 1989, which ended on March 31, comfortably above the Government's projection of 4.6 percent, the Economic Planning Agency said Tuesday. Fiscal 1989 was the third consecutive year in which the nation's economy measured by the Gross National Product (GNP), the nation's total output of goods and services, expanded at a rate of 5 percent or more from the year before, agency officials said.

The agency also reported that the GNP for the January-March quarter rose an inflation-adjusted 2.5 percent from the previous three-month period, or at an annual tempo of 10.4 percent.

The pace of growth in the latest reporting quarter was faster than the anemic 0.8 percent quarter-to-quarter rise and annual growth rate of 3.4 percent in the October-December period.

In fiscal 1989, economic growth stemmed chiefly from strong demand at home, which was fueled by robust personal spending and corporate capital expenditures, the officials said.

The 5 percent growth rate resulted from a 5.7 percent increase in domestic demand and a 0.7 percent contraction in net external demand, a category which shows the impact of exports and imports on GNP. "There's no change in domestic demand," a senior agency official said. "Domestic demand has still served as a pacesetter of economic growth. This is a desirable trend."

Corporate spending on plant and equipment expanded in double digits for the third straight year, growing 16.5 percent after booming 17.3 percent in Fiscal 1988 and 10.1 percent in Fiscal 1987.

Personal expenditures rose 3.2 percent, but the pace of growth was down from a 5.0 percent increase in fiscal 1988 due largely to the introduction of the 3 percent Consumption Tax at the outset of fiscal 1989, agency officials noted.

Before adjustment for inflation, the nation's GNP rose 6.9 percent in fiscal 1989 to 398 trillion yen, bringing down the ratio of GNP to the nation's current account surplus to 1.9 percent, compared with 2.7 percent in the previous year.

The Government has been trying to push down the ratio at the urging of the United States and other trading partners to slash its trade surplus since fiscal 1986 when the ratio peaked at 4.5 percent in fiscal 1986.

On the price front, the GNP deflator, an important barometer of inflation designed to adjust for changes in the cost of producing goods and services, increased by 1.8 percent in fiscal 1989 after going up 0.7 percent during the previous year.

Agency officials said the 1.8 percent hike is not worrisome but urged caution in monitoring future prices amid prolonged weakness in the yen. A weaker yen makes the cost of imports more expensive, putting inflationary pressure on imports.

"In my view, there was little effect of the weaker yen since last year," said one agency official. But, he said the inflationary impact of the yen's weakness might be felt in the April-June quarter. "I have a feeling that inflationary pressures appear set to increase a bit," he added. "Particularly, corporate capital spending seems a bit strong. The trend of capital outlays must be watched carefully."

In theory, stronger capital spending leads to oversupply of goods, thus posing an inflationary threat to price stability.

Contrasting with full-year data, net external demand provided more steam than domestic demand in the January-March period due to fiscal-year-end factors such as a rush of car exports to the United States because Japanese companies tried to fulfill their U.S.-bound export quotas in March, agency officials said. March was the final month of fiscal 1989.

The 2.5 percent expansion in the quarter was broken down into a 1.2 percent increase in domestic demand and a 1.3 percent rise in net external demand, making the January-March period the first quarter since the October-December quarter of 1984 in which net external demand served as the major dynamo of economic growth, they said.

During the quarter, domestic demand was led by vigorous corporate capital spending, notably in the nonmanufacturing sector. The pace of growth, however, slowed to 2.7 perent from 4.0 percent in the October-December period.

The GNP deflator, meanwhile, rose 1.7 percent after posting a 2.1 percent rise in the prior quarter. Agency officials said the Government's target of 4.0 percent real growth for fiscal 1990 can be achieved.

BOJ Governor Mieno on Economic Situation

OW2706091690 Tokyo KYODO in English 0834 GMT 27 Jun 90

[Text] Tokyo, June 27 KYODO—Bank of Japan [BOJ] Governor Yasushi Mieno said Wednesday the central bank will keep its credit stance unchanged, dismissing the view it may tighten its grip on credit at a time when no letup is expected in Japan's economy.

Mieno told reporters there were no appreciable signs of the economy overheating, adding he would like to see for now the full impact of the four recent hikes in the official discount rate.

The central bank governor said the recent set of economic reports endorsed his view on the current economic situation that robust domestic demand in Japan is almost certain to maintain the current stretch of economic growth.

Some of the economic indicators released the past several weeks indicated inflation might be creeping up, leading some market analysts to begin speculating about the possibility of another rate hike to choke off the inflationary trend.

But the government's statistics released over the past week suggested there were little fears of inflation in the immediate future.

At the press conference, Mieno said he sees no remarkable changes in the price-setting stance by corporations and except for some worries on the liquidity front, there was no considerable concern about the economy.

On short-term interest rates, Mieno said it is not the central bank's intention to forcibly push money market rates up or down.

Until quite recently, there was speculation in the market that the bank will try to force up rates further amid booming economic performance.

Mieno termed the present day-to-day operations aimed at maintaining credit at a certain desirable level as "neutral." He did not elaborate on rate levels.

Mieno suggested, however, that an artificial interest-rate control by the central bank is irresponsible because interest rates should be in the hands of market participants.

Though the central bank chief carefully avoided promising any future monetary actions, he expressed a strong hope that the bank's yearlong fight against inflation will prove to have an appropriate effect to keep the economy expanding.

On the other hand, market experts said the central bank is also unlikely to let interest rates ease in the face of the continued threat of inflationary pressures and the crucial need to defend the yen's value.

North Korea

DPRK's Message on Political-Military Talks

SK2706014990 Pyongyang Domestic Service in Korean 1200 GMT 26 Jun 90

[Report on telephone message by Paek Nam-chun, head of the DPRK's delegation to the preliminary talks for North-South high-level political and military talks, to Song Han-ho, chief delegate of the ROK's delegation on 28 June—read by announcer]

[Text] In reply to our side's proposal to hold the preliminary talks for North-South high-level political and military talks on 28 June, the South side sent a telephone message proposing to postpone the date of the talks. In connection with this, the head of our side's delegation sent the following telephone message to the chief delegate of the South side's delegation:

Song Han-ho, chief delegate of the South side's delegation to the preliminary talks for North-South high-level political and military talks: I notify your side that our side's delegation to the seventh preliminary talks for North-South high-level political and military talks will go to Panmunjom on 3 June. [Signed] Paek Nam-chun, head of the North side's delegation to the preliminary talks for North-South high-level political and military talks [Dated] 26 June 1990

President No Tae-u Confers 'Honor' on Menetrey

SK2706051990 Pyongyang KCNA in English 0435 GMT 27 Jun 90

["Disgusting Flattery"—KCNA headline]

[Text] Pyongyang June 27 (KCNA)—The traitor No Tae-u on June 25 gave an "honor" to outgoing South Korea-U.S. "Combined Forces Commander" [U.S. Army General Louis] Menetrey.

Ridiculing this as a despicable flattery fully revealing his true color as a dyed-in-the-wool pro-U.S. stooge, a flunkeyist traitor, MINJU CHOSON says in a commentary today:

The traitor No conferred even "an honor" on the boss of the occupation forces, not yet contented with the decisions to shoulder a greater share of the expenses for the maintenance of the aggression forces which are committing all sorts of crimes, illegally occupying other's territory, and to bear all the cost for the relocation of a U.S. military base from Yongsan, Seoul. This vividly proves what a despicable watchdog of the united states he is.

Withdrawal of the U.S. imperialist aggression forces from South Korea is now a unanimous demand of the South Korean people and a trend of the times. Nevertheless, the traitor No is challenging this demand of the South Korean people by flattering the boss of the aggression forces with the confirmation of "an honor" in an effort to win the favor of his U.S. imperialist masters and maintain his clique's colonial fascist rule under their aegis.

Proper ROK Stand, Attitude Urged for Talks

SK2306055490 Pyongyang KCNA in English 0445 GMT 23 Jun 90

[Text] Pyongyang June 23 (KCNA)—NODONG SINMUN today urges the South side to approach dialogue with a proper stand and attitude. The news analyst says:

Our side sent a telephone message to the South side on June 20 proposing the reopening of dialogue. This is a clear expression of the national independent stand maintained by our side to reunify the country with our nation's efforts in conformity with its will and of our side's sincere efforts to remove the obstacles to North-South dialogue and make it a fruitful dialogue for reunification by all means. And it is natural that our side called the South side to account for the suspension of the dialogue and urged it to make clear its basic stand towards the dialogue. The news analyst further says:

The suspension of the North-South preliminary talks all at once is attributable to the fact that the South Korean authorities staged the "Team Spirit 90" joint military manoeuvres together with the U.S. imperialists against the North side so as to heighten tension and spoil the atmosphere of dialogue.

But the South side, far away repenting of its responsibility for the suspension of the dialogue, has taken issue with us with speculation and sophism, crying over "indefinite postponement of the dialogue" and "insincerity". It is, indeed, a brazen-faced act reminding us of a thief crying "stop thief". The South Korean authorities announced that the "team spirit 90" joint military manoeuvres ended. They, however, continue large-scale military exercises of various kinds together with outside forces, heightening tension. Worse still, they are speaking ill of our system in the military demarcation line area.

They have also imposed harsh penalties on the messengers of reunification who visited the North, by invoking the "National Security Law", an anti-reunification, fascist law, and have incriminately [as received] suppressed the patriotic, democratic forces calling for pro-communism, pro-North and national reunification. This is apparently an act going against dialogue and reunification, which casts a doubt about the South Korean authorities' true intention in crying for "dialogue" and "unification".

As the stark reality shows, there are still problems in the South side's basic stand and attitude towards dialogue and reunification. That notwithstanding, our side proposed the resumption of dialogue, out of the desire to solve the questions of peace of the country and its peaceful reunification through dialogue early as possible. This is a manifestation of our invariable efforts and will for dialogue. The South side must respond to our offer for the resumption of dialogue with a sincere posture.

North-South Nonaggression Declaration Advocated

SK2606133390 Pyongyang KCNA in English 1010 GMT 26 Jun 90

[Text] Pyongyang June 26 (KCNA)—A nonaggression declaration must be adopted between the North and the South of Korea and the new disarmament proposal of the DPRK for drastically slashing the armed forces must be realized at an early date, if the tensions are to be eased on the Korean peninsula, says NODONG SINMUN in a signed article today.

It quotes the great leader Comrade Kim Il-song as saying: "...Tension on the Korean peninsula must be eased and a peaceful climate for the country's reunification be created."

A joint meeting of the Central People's Committee, the Standing Committee of the Supreme People's Assembly and the Administration Council of the DPRK recently discussed a new step to implement the five-point policy for national reunification laid down by the great leader and adopted a disarmament proposal for peace on the Korean peninsula. The new disarmament proposal made by the joint meeting is one which put in a more concrete form the peace package in November, 1988 to suit the realistic conditions and it is a momentous measure which opened a road for solving the question of peace and reunification in our country by the efforts of the nation itself and in a peaceful way.

The proposal contains detailed points, not only the problems of confidence building between the North and the South, the period, stages and scale of military cuts by them and the reduction of foreign forces, but also mutual information and verification of their progress. They not only reflect most correctly the realistic demand on the Korean peninsula and requirement of the times, but also fully take into consideration the will of the South Korean authorities and the United States. Our disarmament proposal is the most reasonable and fair and aboveboard one acceptable to anyone who wants peace in Korea and her peaceful reunification.

A new realistic possibility of the settlement of the disarmament question for ensuring peace has been created on the Korean peninsula today. Recently the South Korean authorities, whatever their real intention, said on many occasions that they will produce a "disarmament proposal" and that they are ready to discuss with the North the problems of disarmament and nonaggression declaration and the United States also said it wants relaxation of the situation on the Korean peninsula. Such being the case, there is no reason for the South Korean authorities to refuse our new disarmament proposal.

Talks on disarmament on the Korean peninsula must be held among the DPRK, the United States and South Korea. If the phraseology of "peace," "detente," and "disarmament" on the lips of the South Korean authorities are true, they should affirmatively accept our new disarmament proposal and positively respond to it. If the United States really wants detente and peace on the Korean peninsula, it should come out to DPRK-U.S. talks or tripartite talks and respond to the signing of a peace agreement. The entire fellow countrymen and the world will follow the attitude of the United States and the South Korean authorities towards our new disarmament proposal.

Daily Stresses Three Principles of Reunification

SK2706102390 Pyongyang KCNA in English 1001 GMT 27 Jun 90

[Text] Pyongyang June 27 (KCNA)—The three principles of independence, peaceful reunification and great national unity are the basic guarantee on which the North and the South with different ideologies and systems can solve the reunification question by concerted efforts and the common action programme of the nation that both sides should firmly rely upon, says NODONG SINMUN today in an article headlined "Three Principles of National Reunification Are Common Reunification Program of the Nation". The article reads in part:

The great leader Comrade Kim Il-song has taught: "The three principles of independence, peaceful reunification and great national unity agreed upon and made public at home and abroad jointly by the North and the South are a great reunification programme which clearly shows the way to reunify the country by incorporating the resourcefulness and will of the whole nation."

With the three principles proclaimed as the common reunification programme of the nation our nation came to have a powerful theoretical and practical weapon for national reunification as well as a milestone which shows the way of accomplishing the cause of reunification in a most reasonable way by the efforts of our nation itself in keeping with its will and interests. The struggle to reunify the country is the cause of the whole nation to fulfil the task of national liberation and realise chajusong of the Korean nation.

The principle of independence is the basic principle of national reunification which is based on the stand that national reunification is an internal affair to be dealt with by the nation itself and the Korean people themselves are responsible for the solution of the reunification question. The fundamental demand for the maintenance of the principle of independence is to make the U.S. imperialist aggression forces withdraw from South Korea, check and frustrate foreign interference in the internal affairs of our country and totally reject the South Korean puppets' policy of dependence on outside forces.

Accomplishing the cause of national reunification in a peaceful way is the unshakable stand consistently maintained by our party. The North and South, the homogeneous nation, must reunify the country peacefully under all circumstances. The principle of peaceful reunification demanding that the North and the South should not resort to armed forces against the other, but resolve the reunification question by peaceful means, that is, through dialogue and negotiation, is the principle which shows the basic way of solving the reunification question.

To observe the principle of peaceful reunification, the North and the South must refrain from slandering each other, undermining national reconciliation and unity and causing armed conflicts. If our nation is to discharge its role and responsibility as befitting masters toward national reunification, the whole nation should firmly unite under the banner of national reunification, transcending the differences in ideology, idea and system. Only when all the patriotic democratic forces in the North and the South pool their strength, irrespective of ideology and system is it possible to repulse the interference of foreign forces and remove the danger of war.

No matter which way the wind may blow, our country's reunification question must be resolved on the three principles of independence, peaceful reunification and great national unity. The realistic way of solving the national reunification question on the three principles is to found a democratic confederal republic of Koryo. The North and the South having different ideologies and systems, the way of reunifying the country independently and peacefully by fair means without one side conquering the other or being conquered is for the North and the South to build a unified state in concert on the three principles.

If the South Korean puppets really want the reunification of the country, the article stresses, they must bring forward the question of the withdrawal of the U.S. forces from South Korea before anything else and stop arms buildup and war provocations against us and give up the fascist suppression and anti-communist confrontation policy aimed at stifling all patriotic forces of South Korea and blocking the way of reunification.

Choe Mun-son Addresses Rally on War Anniversary

SK2706022690 Pyongyang Domestic Service in Korean 0904 GMT 25 Jun 90

[Speech by Choe Mun-son, chief secretary of the Pyongyang Municipal Committee of the Worker's Party of Korea and chairman of the Pyongyang Municipal People's Committee, at "the Pyongyang mass rally" held in Kim Il-song Square on 25 June to mark "the day of struggle against the U.S. imperialists"—live]

[Text] Comrades, all the people across the country are accelerating the majestic march to accomplish the programmatic tasks put forward by the leader in his historic policy speech by cherishing the endless honor and pride in having respectfully again elected the great leader Comrade Kim Il-song as the president of the Republic. The entire nation is vigorously waging the reunification movement to achieve the historic cause of national reunification, and the anti-imperialist movement for peace is being waged in many parts of the world. Under these circumstances, we are holding the Pyongyang mass rally on 25 June, the day of struggle against the U.S. imperialists.

The Korean war provoked by the U.S. imperialists on 25 June, four decades ago, was the most shameless and brigandish war of aggression, to make the whole of Korea their colony, and, furthermore, to establish domination over Asia and the rest of the world. It was also the most brutal and criminal war of destruction ever known in the human history of war.

The U.S. imperialists mobilized in the Korean war the enormous number of more than 2 million troops including their basic force, the South Korean puppet army and mercenaries from the countries that follow them, colossal quantities of combat and technological instruments and military equipment. They turned our front line and rear to ruin and reduced peaceful cities and farms to ashes. Thus, they committed the most vicious crime by indiscriminately massacring innocent residents. The rascals dropped as many as 428,700 bombs in Pyongyang alone and reduced the entire city to a wasteland without a house and even a tree root left.

At a grave time when the destiny of the fatherland and people was at a crossroads of life or death, our people and the people's Army waged death-defying struggle and crushed the U.S. imperialist aggressors in firm unity with the respected leader Comrade Kim Il-song, an ever-victorious sagacious leader and the great military strategist, under the leader's wise leadership by demonstrating unparalleled courage and mass heroism. Thus, we won the great victory in the fatherland liberation war. [applause]

The historical victory which our people won in the fatherland liberation war was a brilliant victory of the unique military idea, outstanding commanding art and chuche-based tactics of the respected leader Comrade Kim Il-song and a great demonstration of the invincible might of the Korean people and people's Army firmly united as one man behind the party and the leader. [applause]

Our people gave a disgraceful defeat to the U.S. imperialist aggressors for the first time in history and thus became the great heroic people recognized by the entire world. We vigorously encouraged the struggle of the oppressed people of the world against the imperialist aggressors, and opened a new era for the anti-imperialist and anti-U.S. struggle throughout the world. [applause]

Thirty seven years have elapsed since the U.S. imperialists signed the Korean Armistice Agreement, kneeling down before our people. Our party and the government of the Republic have made strenuous efforts to implement the armistice agreement and turn a temporary state of ceasefire into a durable peace since the shooting stopped in Korea. We made all sincere efforts to make all foreign troops withdraw from Korea as envisaged in the armistice agreement. In 1958, the Chinese People's Volunteers withdrew from the northern half of the Republic.

However, the U.S. imperialists have remained in South Korea and have constantly strained the situation in our country while constantly waging the war provocation maneuvers against our Republic. We have put forward various reasonable peace proposals and initiatives one after the other, including the proposal to hold tripartite talks in which we, the United States and South Korea would participate in order to end at an early date the abnormal situation in which a state of unstable ceasefire, neither war nor peace, has prevailed for scores of years, caused by the U.S. imperialists and their stooges. This proposal seeks to remove the danger of war on the Korean peninsula and to ease tension and guarantee peace. We also put forward a proposal to turn the Korean peninsula into a nuclear-free, peace zone; a proposal for multinational disarmament talks; and a proposal for comprehensive peace measures.

In particular, we recently put forward a new disarmament proposal for peace on the Korean peninsula as a practical step for implementing the policies for national reunification advanced by the respected leader. Thus, we again displayed clearly the sincere and earnest position of our party and the government of the Republic for peace and peaceful reunification of the nation. [applause]

On the contrary, the U.S. imperialists constantly reinforced aggressive forces and further strengthened war exercises in South Korea running counter to our consistent peace loving efforts. The great leader Comrade Kim Il-song has taught: The United States constantly increased its aggressive armed forces in South Korea and frequently staged war exercises against the northern half of our Republic.

It is a consistent Asian strategy of the U.S. imperialists to concentrate aggressive troops in the Asian area and to invade our Republic and other socialist countries by taking South Korea as a stepping stone. Today the U.S. imperialists are still instigating a coldwar atmosphere in the Asian-Pacific zone even while taking measures for detente and disarmament in other areas of the world including Europe. In particular, they are pursuing the policy of a new war—a nuclear war—on the Korean peninsula in a more crafty manner.

The U.S. imperialists, who are constantly increasing the U.S. Armed Forces in South Korea by dragging the most modern military weapons and equipment from the United States, recently decided to introduce 120 F-18 fighters that were being withdrawn from Europe into South Korea and to turn them over to the puppet army. This is a clear example of the policy of war pursued by the U.S. imperialists.

In particular, while openly saying that a second Korean war will be a nuclear war, the U.S. warmongers not only turned South Korea into a greatest nuclear storehouse in the Far East where more than 1,000 nuclear weapons are deployed but also constantly staged war exercises to put adventurous nuclear war plans into practice after having worked out these plans.

The U.S. imperialists expanded each year in a phased manner the "Team Spirit" joint military exercise, a test nuclear war and a preliminary war, and dragged the South Korean puppets into new war exercises including "PACEX" and "IMPAC." They are attempting to drag even the armed forces of the (?countries) in the Asian-Pacific region including troops of the Japanese Self-Defense Forces into an aggressive war against our Republic.

All facts show that a reduction of arms in South Korea by the United States is a deceitful trick to conceal its troop reinforcement maneuvers and its practical military reinforcement maneuvers for a new war—a nuclear war—against our Republic. At a time when severing the chains of colonialism and realizing independence and democracy have become the trend of the world, the U.S. colonial rule and military occupation are continuing only in South Korea and the military fascist dictatorship has been strengthened. This is indeed a disgrace and a tragedy for our people.

The policy of the imperialists and their stooges for aggression and war accompanies the military fascist dictatorship. The people's aspirations for the nation's independence, democracy, and the peaceful reunification of the nation have been mercilessly trampled underfoot and the elementary human rights and even the right to existence are being cruelly suppressed. Today South Korea, turned into a colonial nuclear forward base of the U.S. imperialists, has been reduced to a site of the worst human rights violation in the world and to a wasteland of democracy. This was caused by the aggressive, nation-selling, and treacherous maneuvers of the U.S. imperialists and their stooges, the No Tae-u group.

I, in the name of this rally, bitterly condemn with surging indignation of the nation the U.S. imperialist aggressors—our implacable enemies—and the No Tae-u military fascist clique—their stooges—who provoked a war of aggression in our country to impose the disaster of war on our people and who still obstruct peace in our country and its peaceful reunification today while frantically running amok to drive again our nation into the calamity of a new war, a nuclear war. [shouts of slogans]

Comrades: Alleviating tension on the Korean peninsula and, thus, preserving peace there is an important matter which is directly related to the destiny of all of the Korean nation and to overall peace in Asia and the rest of the world. Today when we have proposed drastically reducing armed forces and when the withdrawal of foreign troops has become a global trend, there is no reason whatsoever for the United States to continue holding on to South Korea by clamoring about a threat of southward invasion, which is nonexistent.

The United States should immediately withdraw from South Korea, taking along all of its armed forces of aggression, including nuclear weapons, as unanimously called for by our people and the peace-loving people of the world. If the United States truly wants peace on the Korean peninsula and the improvement of DPRK-U.S. relations, it should respond to the DPRK-U.S. talks or the three-way talks [chomihoedam ina samja hoedam] that we have proposed and should take steps to replace the Korean Armistice Agreement with a peace agreement at the earliest possible date [haroppalli].

If the persons in authority of South Korea, as well, are truly interested in the issues on disarmament and nonaggression, they should not seek the policy of new war, nuclear war, in collusion with foreign forces, but should accept our new disarmament proposal; they should not seek confrontation and division, but should pull down the concrete wall that they built, the symbol of division and confrontation, at the earliest possible date and should make efforts to realize free travel and total openness between the North and the South.

The people from all walks of life in South Korea should check and frustrate the maneuvers for war by the U.S. imperialists and their stooges at every stage so as to make the hopeful nineties the era of national reunification and should vigorously wage the antiwar and antinuclear peace movement to make the Korean peninsula a nuclear-free peace zone. They should also more vigorously wage the anti-U.S. struggle for independence and the antifascist struggle for democratization and national reunification.

We take this opportunity to express our firm conviction that the governments, political parties, public organizations of all countries of the world, and their people from all walks of life who treasure justice and peace will extend firm solidarity with the just struggle of all of the Korean people to remove the danger of war on the Korean peninsula and to achieve the country's peace and peaceful reunification. [applause]

The people in the northern half of the Republic are today faced with the heavy but honorable task of firmly defending the socialist fatherland and the gains of the revolution from the maneuvers for aggression by the U.S. imperialists and their stooges and of expediting the complete victory of socialism and the independent and peaceful reunification of the country.

All party members and working people should constantly effect a new great revolutionary upsurge on all fronts of socialist construction by upholding the great leader Comrade Kim Il-song's historic policy speech at the first session of the Ninth Supreme People's Assembly. There will be always victory and glory on the future path of our people who, holding the great leader Comrade Kim Il-song in high esteem, are advancing under the wise leadership of the glorious party. [applause]

Let all of us firmly rally around the party Central Committee headed by the respected and beloved leader Comrade Kim Il-song and more vigorously struggle for the complete victory of socialism and for the independent and peaceful reunification of the country. [applause, shouts of slogans]

U.S. 'Imperialists' Responsible for Starting War

SK2706102890 Pyongyang KCNA in English 1014 GMT 27 Jun 90

["U.S. Imperialists—Provocateur of Korean War"—KCNA headline]

[Text] Pyongyang June 27 (KCNA)—At dawn on June 25, 1950, 40 years ago, the U.S. imperialists instigated the South Korean puppet clique to launch an armed attack against the northern half of the Democratic People's Republic of Korea.

At that time, the DPRK Government demanded the enemy to immediately stop the adventurous war action. The enemy, however, stepped up his armed invasion in the whole area along the 38th parallel and intruded 1-2 kilometres into the North in Haeju, Kumchon and Cholwon. The U.S. imperialists, having started a war in Korea, tried to make believe that the war was triggered off by the "attack" from the North, in order to conceal their crimes.

Historical facts lay bare the dark colors of the U.S. imperialists as the provocateurs of the war. The then U.S. President Truman, having decided to provoke a war in Korea, sent U.S. Secretary of Defense Johnson and Chairman of the U.S. Joint Chiefs of Staff Bradley to Tokyo to discuss with MacArthur, commander-in-chief of the U.S. Far East Command, about the date of the start of the war and other matters.

The warmongers held secret meetings in Tokyo and designated the date of the start of the war. The date was June 25. It was Sunday. In an attempt to mislead the world public opinion, the U.S. imperialists chose Sunday so that they could spread the false report that the North started the war while the U.S. troops and the South Korean puppet army were at churches for service. At the Tokyo secret talks reports on the examination of the war preparations of the U.S. troops in the Far East and the South Korean puppet army were worked out and an order was issued to the U.S. Airforce units to send special formations of bombers to the Far East at once.

Truman hurriedly dispatched Dulles, adviser to the U.S. State Department, to South Korea. Dulles flew into South Korea on June 17, 1950, and "inspected" the 38th parallel. After peeping into the defences of the northern half and examining the preparedness of the puppet army and the police, he instigated the puppet army to ignite a war, telling its soldiers: I want you to step up efforts as the day when you will show your great strength is not far off.

Dulles made a speech inciting the provocation of war of aggression at the puppet National Assembly, held a secret meeting with the traitor Syngman Rhee at the U.S. Embassy, re-examined the plan for the provocation of war and gave a series of new orders before leaving Seoul on June 20. In his letter to Syngman Rhee upon leaving Seoul, Dulles said: "I attach great importance to the decisive role which your country can play in the great drama that is unfolding." It does not deserve explanation that the "great drama" meant the provocation of war in Korea.

June 24 was Saturday. But all the officers and men of the U.S. imperialist aggression forces and the puppet army were prohibited from going outside the barracks and were ordered to take a combat posture. Meanwhile, the U.S. imperialists, in an attempt to deceive the world public opinion, arranged a dance party for the inauguration ceremony of the officers club of the puppet ground force headquarters in the evening and made a false report that "most of the commanding officers in Seoul and in the frontline areas near Seoul and top brasshats of the ground force headquarters of the Defense Ministry attended it". It is an immovable historic fact that the U.S. imperialist aggressors charged the powder magazine for the Korean war and directly ignited it.

Youths Visit Panmunjom; Vow Revenge on U.S.

SK2706103690 Pyongyang KCNA in English 1024 GMT 27 Jun 90

[Text] Kaesong June 26 (KCNA)—Delegates to the national rally of youths and students for "June 25, day of struggle against U.S. imperialism" saw the concrete wall and visited Panmunjom.

They felt irrepressible hatred for the U.S. imperialist aggressors, who have imposed immeasurable misfortunes and sufferings on the Korean people and are still occupying South Korea and running riot to unleash another war, and the No Tae-u puppet clique, while hearing about their criminal acts.

O Chong-mok, delegate of South Hwanghae Province, said: the moment I saw yankees arrogantly standing at Panmunjom, I felt as if I were hearing the last cries of the mothers and children who had been killed in Sinchon County. The U.S. imperialists are the sworn enemy with whom we cannot live under the same sky. Our people will revenge themselves on the U.S. imperialist aggressors a thousand times.

In front of a pine-nut tree planted by woman student Yim Su-kyong, "the flower of reunification," before crossing Panmunjom last year, the delegates recalled her words that the country must be reunified before the tree grows tall. They expressed their firm determination to do their best to bring earlier the day when they would meet with Yim Su-kyong who is now behind bars.

After seeing the concrete wall, Chu Chong-il, delegate of Yanggang Province, said: It is a shame to our nation with a 5,000-year history to leave the concrete wall, a symbol of national division and North-South confrontation. We youths and students representing the new generation will certainly reunify the country in the 1990s under the five-point policy of national reunification laid down by the great leader President Kim Il-song.

Gerasimov Remarks on USSR-DPRK Ties Aired

SK2706133390 Pyongyang Domestic Service in Korean 1200 GMT 29 Jun 90

[Text] According to TASS, Gennadiy Gerasimov, spokesman for the Soviet Foreign Ministry, mentioned Soviet-Korean relations 26 June during a news conference at the Soviet Foreign Ministry Information Center.

He stated that in its relations with the DPRK, the Soviet Union intends to develop relations between the two countries rigidly maintaining the principle of noninterference in internal affairs and support the constructive proposals of the Republic's leadership for easing tensions and normalizing the political climate on the Korean peninsula.

He said the Soviet Union's fundamental position on the issue of the peaceful reunification of Korea remains unchanged and expressed support for extensive dialogue between the North and South of Korea.

Soviet Yachtsman Speaks at Anti-U.S. Rally

SK2706083290 Pyongyang KCNA in English 0439 GMT 27 Jun 90

[Text] Pyongyang June 27 (KCNA)—Mass rallies and demonstrations were held in Chongjin, Sinuiju, Kanggye, Sariwon and Nampo on June 26, on "June 25, day of struggle against U.S. imperialism."

The rallies were addressed by leading officials of local party and power bodies and representatives of people of all strata. The speakers noted that the U.S. imperialists ignited a war of aggression on Korea 40 years ago and inflicted immeasurable disasters upon our people and committed thrice-cursed atrocities. Still entrenched in South Korea today, they said, the U.S. imperialists are committing ceaseless war provocation moves against our Republic, aggravating the situation of our country and turning South Korea into a hotbed of another war, a nuclear war to realize their criminal strategy towards Asia.

Now that withdrawal of foreign troops has become a global trend of the times, there is no reason for the United States to remain in South Korea, talking about fictitious "threat from the North," they said, and stressed: The United States must go home at once, taking along all the armed forces of aggression including nuclear weapons. If the U.S. imperialists and their stooges continue resorting to war, division and fascism, history and people will never pardon them and a bitter defeat and disgraceful end be in store for them, they warned.

Grishin Yuri Aleksandrovich, deputy head of the Vladivostok Yacht Fleet of the Soviet Union for the Independent Reunification of Korea, spoke at the Chongjin mass rally.

He said: The courageous Korean people creditably defended their motherland by smashing the aggression of the U.S. imperialists under the wise leadership of respected President Kim Il-song.

He referred to the fact that the U.S. bellicose elements have now deployed some 1,000 pieces of nuclear weapons in South Korea and ceaselessly stage adventurous war games. Pointing out that the DPRK has put forward many important proposals for national reunification in the past, he expressed full support to the proposal to demolish the concrete wall and realize free travel and full-scale opening between the North and the South.

After the rallies, people of all walks of life staged demonstrations, shouting slogans exposing the criminal moves of the U.S. imperialist aggressors and the No Tae-u group.

U.S.-Japanese Military 'Alliance' With NATO

SK2706051790 Pyongyang KCNA in English 0427 GMT 27 Jun 90

[Text] Pyongyang June 27 (KCNA)—The Japanese reactionaries are now trying to intensify military collusion with the aggressive NATO at the zealous instigation of the U.S. imperialists, according to a report.

At the NATO security symposium held in Belgium on June 19, a high-level delegation of Japan exchanged views with the U.S. imperialists and NATO nations on "Global Security: Interdependence of the United States, Europe and Japan in the 1990s" and framed a very ill-boding, dangerous plot for military collusion, crying over "military threat" in Asia.

At the confabs, the Japanese reactionaries expressed "new interest" in developing "full trilateral relations" with the United States and other NATO nations and asserted that they wanted to find "common ground" on future "security cooperation" with NATO. This fully revealed their sinister intention to closely link the Japan-U.S. military alliance with NATO and round off the military preparations for overseas aggression.

The Japanese reactionaries who have long since harboured the ambition for turning Japan into a "military power" intend to realise their purpose on a broader scale by taking part with a zeal in the execution of the "New Atlantic Doctrine" strategy of U.S. imperialism in Europe and establishing "partnership" with NATO. They think that their "partnership" with NATO would increase their political and military influence on Asia and enhance the role of Japan in the imperialist system.

The U.S. imperialists, on their part, plan to rally the imperialist wolves in the anti-socialist alliance and promote their global strategy by instigating the Japanese reactionaries obsessed with overseas expansion to establish security relations with NATO. The scheme of the Japanese reactionaries to strengthen military relations with NATO under the backstage manipulation of U.S. imperialism assumes very dangerous nature and evokes due vigilance of the peace-loving peoples in Asia and the rest of the world.

Japanese-Korean Friendship Group Visits 26 Jun

SK2606134190 Pyongyang KCNA in English 1031 GMT 26 Jun 90

[Text] Pyongyang June 26 (KCNA)—A Japan-Korea friendship visiting group headed by Akira Iwai, chairman of the Japan Committee for Supporting the Independent and Peaceful Reunification of Korea, arrived here today. It was met at the airport by Vice-Chairman Yi Chol-sin of the Korean Society for Cultural Relations with Foreign Countries. The society entertained the delegation to a party in the evening.

Kim Il-song Sends Messages to World Leaders

SK2706044090 Pyongyang KCNA in English 0403 GMT 27 Jun 90

[Text] Pyongyang June 27 (KCNA)—Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, sent messages and salutes to the party and state leaders of different countries in reply to their messages of greetings upon his reelection as president of the DPRK at the first session of the Ninth Supreme People's Assembly.

He sent them to Yang Shangkun, president of the People's Republic of China; Mikhail Gorbachev, president of the Union of Soviet Socialist Republics; Fidel Castro Ruz, first secretary of the Central Committee of the Communist Party of Cuba, president of the Council of State and president of the Council of Ministers of the Republic of Cuba; Ion Iliescu, president of Romania; Punsalmaagiin Ochirbat, chairman of the Presidium of the Great People's Hural of the Mongolian People's Republic; Petur Mladenov, president of the Bulgarian People's Republic; Vaclav Havel, president of the Czech and Slovak Federative Republic; Wojciech Jaruzelski, president of the Republic of Poland; Ramiz Alia, president of the Presidium of the People's Assembly of the People's Socialist Republic of Albania; Borisav Jovic, president of the Presidency of the Socialist Federal Republic of Yugoslavia; Vo Chi Cong, president of the State Council of the Socialist Republic of Vietnam; Sabine Bergmann-Pohl, acting head of state and president of the People's Chamber of the German Democratic Republic; Arpad Goncz, acting president of the Republic of Hungary; Phoumi Vongvichit, acting president of the Lao People's Democratic Republic; Birendra Bir Bikram Shah Dev, king of Nepal; Ranasinghe Premadasa, president of the Democratic Socialist Republic of Sri Lanka; Hussain Mohammad Ershad, president of the People's Republic of Bangladesh; Wee Kim Wee, president of the Republic of Singapore; His Royal Highness Samdech Norodom Sihanouk, president of Cambodia; Chatichai Chunhawan, prime minister of the Kingdom of Thailand; Ghulam Ishaq Khan, president, and Benazir Bhutto, prime minister, of the Islamic Republic of Pakistan; Najibullah, president of the Republic of Afghanistan; R. Venkataraman, president of the Republic of India; Suharto, president of the Republic of Indonesia; Mu'ammar al-Gadhdhafi, leader of the Great September First Revolution of the great Socialist People's Libyan Arab Jamahiriyah; Ilyas al-Hirawi, president of the Republic of Lebanon; Mohamed Abdelaziz, president of the Saharan Arab Democratic Republic and secretary general of the Polisario Front; 'Umar Hasan Ahmad al-Bashir, president of the Command Council of the National Salvation Revolution of the Republic of the Sudan; Hafiz al-Asad, president of the Syrian Arab Republic; Yasir 'Arafat, president of the state of Palestine and chairman of the Executive Committee of the Palestine Liberation Organization; Zine el Abidine Ben Ali, president of the Republic of Tunisia; Chadli Bendjedid, president of the Algerian Democratic and People's Republic; Akbar Hashemi-Rafsanjani, president of the Islamic Republic of Iran; Muhammad Husni Mubarak, president of the Arab Republic of Egypt; 'Ali 'Abdallah Salih, president of the Presidential Council of the Republic of Yemen; Jerry John Rawlings, chairman of the Provisional National Defence Council of the Republic of Ghana; Lansana Conte, president of the Military Committee of National Redressment, president and head of state of the Republic of Guinea; Joao Bernardo Vieira, president of the State Council of the Republic of Guinea-Bissau; Ibrahim B. Babangida, president of the Federal Republic of Nigeria and commander-in-chief of the Armed Forces; Didier Ratsiraka, president of the Democratic Republic of Madagascar; Moussa Traore, general secretary of the Malian People's Democratic Union and president of the Republic of Mali; Aneerood Jugnauth, prime minister of Mauritius; Joaquim Alberto Chissano, president of the Frelimo Party and president of the People's Republic of Mozambique; Q. K. J. Masire, president of the Republic of Botswana; Blaise Compaore, chairman of the People's Front, head of state and head of the government of Burkina Faso; Mathieu Kerekou, president and head of state of the Republic of Benin; Aristides Pereira, president of the Republic of Cape Verde; Manuel Pinto da Costa, chairman of the liberation movement of Sao Tome and Principe and president of the Democratic Republic of Sao Tome and Principe; Mohamed Siad Barre, president of the Democratic Republic of Somalia; Joseph Saidu Momoh, president of the Republic of Sierra Leone; Abdou Diouf, president of the Republic of Senegal; France Albert Rene, president of the Republic of Seychelles; Obiang Nguema Mbasogo, president of the Republic of Equatorial Guinea and founder-chairman of the Democratic Party of Equatorial Guinea; Andre Kolingba, president and head of state of the Central African Republic; Ali Hassan Mwinyi, president of the United Republic of Tanzania; Paul Biya, president of the Republic of Cameroon; Felix Houphouet-Boigny, president of the Republic of Cote d'Ivoire; Denis Sassou Nguesso, president of the People's Republic of the Congo; Gnassingbe Eyadema, president-founder of the Togolese People's Rally and president of the Republic of Togo; Jose Eduardo dos Santos, President of the MPLA- [Popular Movement for the Liberation of Angola] Workers' Party and president of the People's Republic of Angola; Mengistu Haile-Mariam, general secretary of the Central Committee of the Workers' Party of Ethiopia, president of the People's Democratic Republic of Ethiopia and Commander-in-chief of the Revolutionary Army; H. Desmond Hoyte, president of the Cooperative Republic of Guyana; Violeta Barrios de Chamorro, president of the Republic of Nicaragua; Michael Manley, prime minister of Jamaica; Alan Garcia Perez, president of the Republic of Peru; Vincent Tabone, president of the Republic of Malta; and Kurt Waldheim, federal president of the Republic of Austria.

In his reply messages and return salutes, President Kim Il-song showed deep thanks for the warm greetings and wishes sent by the party and state leaders of different countries and expressed the belief that the friendly and cooperative relations between the Democratic People's Republic of Korea and the above-said countries will grow stronger and develop.

Publication Delegation Leaves for Visit to PRC

SK2606220790 Pyongyang KCNA in English
1501 GMT 26 Jun 90

[Text] Pyongyang June 26 (KCNA)—A publication delegation of Korea led by No Hak-yul, vice-director of the Publication Guidance Bureau, left here Monday for a visit to China. It was seen off at Pyongyang railway station by Vice-Director Kim Sung-chun of the Publication Guidance Bureau and officials of the Chinese Embassy here.

Kim Yong-sam Meets With Bulgarian Envoy Stoyanov

SK2606220590 Pyongyang KCNA in English
1458 GMT 26 Jun 90

[Text] Pyongyang June 26 (KCNA)—Kim Yong-sun, secretary of the Central Committee of the Workers' Party of Korea, today met and had a talk with Georgi Stoyanov, newly-appointed Bulgarian Ambassador E.P. to Korea, when the latter paid a courtesy call on him.

Zimbabwean Praises DPRK Socialist Construction

SK2306153290 Pyongyang KCNA in English
1506 GMT 23 Jun 90

[Text] Pyongyang June 23 (KCNA)—Prior to his departure, Joseph Macheka, chairman of the Harare Provincial Committee of the Zimbabwean Africa National Union-Patriotic Front, was met by a journalist here.

During my stay in Korea I saw with my own eyes that the Korean people are accelerating socialist construction at a good pace with their own efforts, their own technique and their own domestic materials, he said.

Recalling his Korean visit three years ago, he said that the remarkable changes of Pyongyang and local cities and rural villages in this period are attributable to the independent national economy built by the Korean people. Today's prospering reality in Korea shows well the vitality and power of the independent national economy, he said.

The Korean people have completed in a short period the industrialization of the country on the ruins of three years of war, although it would have taken several hundred years, and wrought world-shaking miracles in economic, cultural and other fields, he noted, adding: They are now pushing ahead with the socialist construction, holding high the banner of the chuche idea, under the wise guidance of the great leader Comrade Kim Il-song.

Grand monumental structures and modern dwelling houses stand side by side in historic Mangyongdae District and islets of the scenic river Taedong and many other places of Pyongyang. The West Sea Barrage built by the Korean people across eight-kilometre rough sea is a structure beyond human imagination. Such grand structure can never be built only by economic forces and science and technique.

Inexhaustible is the strength of the Korean people who are firmly united with one thought and purpose around the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il. For having this strength, the Korean people are pushing ahead with the socialist construction full of confidence and optimism, not wavering before any worldwide change. Bright is the future of the Korean people who are advancing under the tested guidance of the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il.

Chang Chol Addresses Film Festival Meeting

*SK2606134890 Pyongyang KCNA in English
1032 GMT 26 Jun 90*

[Text] Pyongyang June 26 (KCNA)—The first meeting of the state preparatory committee of the second Pyongyang film festival of non-aligned and other developing countries was held here today.

Speaking at the meeting, Vice-Premier Chang Chol, chairman of the State Preparatory Committee, said that the film festival will be held in Pyongyang from September 1 to 13 under the slogan "For independence, friendship and peace." This festival will help further strengthen friendship among peoples and movie artists of non-aligned and other developing countries and exchange and cooperation in the moviedom, he stated, and further said:

During the film festival which will be divided into competitive, informative and retrospective shows a film fair will be opened and debate on the subject "Building of a new society and cinematic art" be held. Many countries will also participate in them in the capacity of observers and guests to the Non-aligned Movement. He stressed that the State Preparatory Committee should make better preparations for a success of the festival.

Foreign Envoys Visit Pyongyang Robot Exhibition

*SK2606135490 Pyongyang KCNA in English
1036 GMT 26 Jun 90*

[Text] Pyongyang June 26 (KCNA)—Foreign diplomatic envoys in Pyongyang today visited the national exhibition of robots made by three-revolution team members.

On display in the exhibition hall are 1,400 odd robots and 600 kinds of electronic and automation elements which three-revolution team members dispatched to different domains of the national economy contrived and manufactured, true to the party's policy of technical revolution. Making a round of the exhibition, the guests expressed deep impressions at the great validity and vitality of the policy of technical revolution of the Workers' Party of Korea.

Symposium Conducted Marking Kim Il-song Report

*SK2606134090 Pyongyang KCNA in English
1023 GMT 26 Jun 90*

[Text] Pyongyang June 26 (KCNA)—A central symposium to mark the 60th anniversary of the publication of "The Path of the Korean Revolution," a classical work of the great leader President Kim Il-song, was held at the People's Palace of Culture today.

Present at the symposium were Yi Chong-ok, member of the Political Bureau of the Central Committee of the Workers' Party of Korea and vice-president, Chang Chol, vice-premier of the Administration Council, and other officials concerned.

The speakers stressed that "The Path of the Korean Revolution," the report delivered by Comrade Kim Il-song at the historic Kalun meeting on June 30, 1930, in the period of the anti-Japanese revolutionary struggle, was a great programme of the chuche revolution which declared the founding of the chuche idea and, on this basis, gave an exposition of the line of the Korean revolution and its strategy and tactics and a classical work which indicated a bright way to the peoples of the colonies and semi-colonies for achieving national independence and building a new society by their own efforts.

They explained why the work is a great programme of the chuche revolution which indicated a new path of the Korean revolution advancing under the banner of the chuche idea.

It is, above all, because the work is a historical one that established the chuche idea as the guiding idea of the revolution and thus set it as the only banner of the Korean revolution, they said. They noted that, with the founding of the chuche idea, the only correct guiding idea of the era of chajusong, a new era of history different from the preceding times, was established and a broad road of the revolution with the chuche idea as the guiding idea was opened.

The work is a great programme of the chuche revolution which indicated a new path of the Korean revolution next because it gave an exposition of the chuche-based revolutionary line and strategy and tactics and thus showed an original way of achieving victory in the national liberation revolution in colonies. The work defined the character of the immediate Korean revolution as an anti-imperialist, anti-feudal democratic revolution and underscored the need to wage an armed struggle, form an anti-Japanese national united front and found a party.

Elaborating on the justness and vitality of the idea laid down in the work, the speakers said that the accomplishment of the cause of national liberation, the successful fulfilment of the anti-imperialist, anti-feudal democratic revolution and the establishment of socialist system of our own style by the internal revolutionary forces in our country were a shining fruition gained in constantly adhering to and applying the revolutionary line laid down in the work.

NODONG SINMUN on Chuche, Sovereignty

SK2306110590 Pyongyang KCNA in English
1019 GMT 23 Jun 90

[Text] Pyongyang June 23 (KCNA)—NODONG SINMUN today comes out with a signed article entitled "Chuche Idea is Ideological Basis Which Brings Into Full Bloom Superior National Character of Our People."

The paper says: The Korean nation whose nationality was violated in the past is now glorifying its superior character. This is thanks to the guidance of the great leader and the great party and to the chuche idea.

Dear Comrade Kim Chong-il said: "The superior national character of our people is now being brought into fuller play on the basis of the chuche idea".

The chuche idea is the ideological and spiritual source which gives full scope to the superior national character of our people. Above all, the chuche idea makes the Korean nation proudly display its noble sense of justice and independent spirit. The noble sense of justice and the independent spirit are a precious fruit of the justness and greatness of the chuche idea.

As they are guided by the chuche idea, the Korean people are strong in the spirit of valuing man, sense of justice and the spirit of defending sovereignty. Communistic human love which makes one sacrifice himself for the lives of others is the noble ideological and spiritual trait of the Korean people. The Korean people fight it out against those who infringe upon their sovereignty without the slightest compromise, but they never violate the sovereignty of other countries and nations. And they resolutely oppose chauvinism violating the sovereignty of other countries and nations, while strengthening friendship and solidarity with those peoples who respect sovereignty.

The chuche idea also laid down the unique principles of correctly inheriting the national traditions, thereby making it possible to preserve the superior nationality of the Korean people. The chuche idea guides people to surmount both the restorationist and nihilistic tendencies by making them throw away the outdated and obsolete things and find out progressive things in the national traditions, placing the Chajusong of the popular masses in the centre.

It helps inherit and develop the national traditions critically by indicating the principles of properly combining the national style with the socialist contents. The Korean people strictly abide by these principles of chuche in inheriting the national traditions so as to critically carry forward the heritages of the national culture in accordance with the socialistic realities.

The chuche idea also encourages the Korean nation to establish a simple way of life with a noble revolutionary spirit and disposition as required by the revolutionary age. Our nation is fully displaying the noble revolutionary spirit, disposition and traits to be possessed by the nation and people in the revolutionary era.

The boundless loyalty in holding the leader of the revolution in high esteem with faith and obligation, the revolutionary spirit of self-reliance, the great grit and boldness, the indomitable revolutionary spirit and resoluteness, the high revolutionary spirit and revolutionary optimism and the simple and noble way of life—these are the noble revolutionary spirit, disposition and trait of the Korean people. As they have such noble ideological and spiritual traits, our people are so proud of themselves who have reached the highest stage in the history of our nation and the mankind, powerfully demonstrating the invincible might in the fulfillment of the cause of socialism. Such noble revolutionary spirit and trait of the Korean people are based on the chuche idea.

'Deep Attention' to Food, Clothing, Housing

SK2606133690 Pyongyang KCNA in English
1018 GMT 26 Jun 90

[Text] Pyongyang June 26 (KCNA)—The Democratic People's Republic of Korea has consistently directed deep attention to a fuller solution of the problems of food, clothing and housing which are essential to the life of the people. A radical turn took place in the solution of these problems in the 1980s.

In that decade, the grain output went up for a more satisfactory solution of the food problem. 400-odd-kilometre long irrigation channels have been excavated recently in the west coast flat land to supply more sufficient water. This has made it possible to additionally produce hundreds of thousands of tons of grain from the existing arable land.

The DPRK will hit the target of 15 million tons of grain during the third 7-year plan (1987-1993) through the completion of comprehensive mechanisation of agriculture and extensive introduction of chemicals into it and expansion of the achievements in the irrigation and electrification already completed.

A great turn took place in the solution of the clothing problem for the people in the decade. New textile mills were built and many mills remodelled with new equipment, with the result that the annual textile output has already reached the 800 million metres mark. This means scores of metres per head of the population. The state intends to hit the 1,500 million metre mark in the current plan period by modernizing the existing textile equipment and installing new looms. Then 76 metres will annually go to each head of the population.

Modern dwelling houses are being built on a massive scale in the capital city of Pyongyang and local areas. Modern flats for 50,000 families will be built in Pyongyang and houses for tens of thousands of families in the local areas by the end of 1991.

People Said Enjoying Various Forms of Education

SK2306152490 Pyongyang KCNA in English
1459 GMT 23 Jun 90

[Text] Pyongyang June 23 (KCNA)—The Democratic People's Republic of Korea has increased the appropriations for education more than nine times in the past 30 years.

The state increases investments in education every year, considering it to be one of the fundamental issues deciding the victory of the revolution and the future destiny of the nation. There are now about 11,000 schools of all levels in the northern half of Korea where there were only 43 middle schools, without a single university, right after the liberation.

During the second seven-year plan (1978-1984), the number of the universities grew from 155 to 216, that of the colleges to 576 and the number of the technicians and specialists majoring in technology in different fields of the national economy went up to 1,250,000.

Haesan University of Mining Industry, Wonsan College of Light Industry and tens of other universities and colleges including Changnim College of Technology and Chunggu College of Construction, which are factory colleges, and Yonbaek and Chongpyong Colleges of Agriculture, which are farm colleges, have been set up in the later period.

Along with the growth of higher educational institutions in number, more faculties and courses have been established in universities and colleges with the introduction of new subjects. This year the government of the Republic has allotted a large sum of fund, 6.5 percent higher than last year, to social and cultural measures.

The country has a large contingent of 1.46 million intellectuals graduated from educational institutions of different levels. More than 80 percent of the population in Korea were illiterate right after the liberation. Some 2.3 million of them were adult illiterates. Korea, where the campaign against illiteracy was on the order of the day 40 years ago, is now advancing toward the intellectualization of the whole society. This wonderful change has been brought about after the most advantageous socialist system of education was established.

In Korea the universal compulsory primary education was enforced in 1956, a hard time after the war, the compulsory secondary education in 1958 and the universal 11-year compulsory education in 1975. Millions of students are now studying free of charge at schools of all levels and the entire people are enlisted in different forms of education.

Drive To Boost Iron, Steel Output Accelerated

SK2206151690 Pyongyang KCNA in English
1502 GMT 22 Jun 90

[Text] Pyongyang June 22 (KCNA)—Iron and steel works of Korea have waged a high-pitched drive to boost iron and steel output, lifting the output of steel 23.5 percent and that of rolled steel 4.3 percent in the last 50 days above the same period last year.

The Chollima Steel Complex increased the amount of oxygen blown into the oven and turned out an additional charge of molten iron per shift to produce 30,000 more tons of steel in this period than in the corresponding time last year. The Songjin Steel Complex boosted steel output 47.4 percent in this period above the like period last year by steadily expanding production with a new electrode system.

The Kim Chaek Iron and Steel Complex has remarkably increased steel output and augmented that of rolled steel including sheet and plate by strengthening inter-process ties. In the meantime, the Musan Mining Complex, the Unyul and Chaeryong mines and other mines across the country have increased iron ore output 24.6 percent in the last 50 days as against the like period last year by keeping equipment in full-capacity operation.

Hydroelectric Power Stations Increase Output

SK2506052090 Pyongyang KCNA in English
2045 GMT 25 Jun 90

[Text] Pyongyang June 25 (KCNA)—The hydro-power stations under the Power Industry Commission are producing 200,000 kw of electricity outside the plan on a daily average.

The Hochongang Power Station is topping the daily quota by an average of 54,000 kw. By operating the generating equipment at full capacity. The March 17 power station has this month overfulfilled its daily quotas by 20 percent. The Taedonggang Power Complex is also among those which overfulfil the daily assignments. The Changjingang and Pujongang Power Stations ensure a high water-level operation to maintain a high and steady rate in power production.

Greenhouse Farm Predicts Increase in Harvest

SK2506102990 Pyongyang KCNA in English
1016 GMT 25 Jun 90

[Text] Pyongyang June 25 (KCNA)—The Nampotae greenhouse farm is situated in the highland 1,400 metres above the sea level at the foot of Mt. Paektu in the northernmost part of Korea.

The farm has built the green houses and manured and tended vegetables as required by the chuche method of farming despite the cold weather outside 30-40 degrees centigrade below zero, thus supplying the visitors to the revolutionary old battle fields and the local people with fresh vegetables including cabbage and cucumber. This year, the farm foresees a 50 percent increase in the harvest above last year.

180 tons of vegetables have been gathered over the last two months. All the green houses have started the second-stage harvest of vegetables. Watermelon, tomato, pumpkin, melon and red pepper also rule good. The chief engineer of the farm said, that, judging from the present crop conditions, the highest yield ever since the formation of the farm in 1982 is foreseen.

South Korea

Premier on DPRK Talks, USSR Negotiations

SK2606135690 Seoul YONHAP in English 0933 GMT 26 Jun 90

[Text] Seoul, June 26 (YONHAP)—Prime Minister Kang Yong-hun said Tuesday that the South Korean Government would carefully study plans for the establishment of an inter-ministry organization to coordinate and control government policies regarding arms reduction.

A recent North Korean proposal for arms reduction was almost the same as previous proposals, but South Korea will positively discuss disarmament with North Korea if high-level talks are realized, he said.

Addressing an interpellation session of the National Assembly, Kang said both Koreas could reduce arms gradually if North Korea renounced its policy of communizing the South.

The government was considering raising the cabinet status of the national unification minister to deputy prime minister's grade in view of the growing importance of the inter-Korean affairs, he said.

Answering questions on diplomacy, unification and security, Kang said the government would discuss a reduction of U.S. troops in South Korea after the threat from the North had subsided.

He said that moving the U.S. base in central Seoul to a new location would cost an estimated 1 trillion won (1.408 billion U.S. dollars), but could change in accordance with future changes in the number of U.S. troops based in Korea.

Meanwhile, Foreign Minister Choe Ho-chung said Kong No-myong, head of the Korean consular department in Moscow, was holding working-level negotiations with the Kremlin on establishing diplomatic ties.

Choe denied that the government had offered the Soviet Union a multi-billion dollar loan package.

The foreign minister said normalization of relations between Seoul and Beijing was unavoidable. He, however, said the government would not hastily pursue it as it should be preceded by a careful study of various factors, including China's relations with North Korea and domestic situation in China.

Choe said North Korea's proposal for the two Koreas to share a seat in the United Nations contradicted the U.N. Charter and international practices, and the government would try to persuade North Korea to join simultaneously before seeking U.N. membership unilaterally.

Defense Minister Yi Sang-hun said arms reduction would be the key issue of inter-Korean negotiations in the future and his ministry had established an arms reduction council to work out policies.

Yi said it had already been agreed to pull 7,000 U.S. troops out of Korea, but details would be decided in the 22nd Korea-U.S. Security Council meeting in November.

National Unification Minister Hong Song-chol said arms reduction by the two Koreas should be tackled in the high-level talks between the two sides.

Seoul Agrees to Parliamentary Contact With North

SK2606120090 Seoul YONHAP in English 1120 GMT 26 Jun 90

[Text] Seoul, June 26 (YONHAP)—South Korea decided Tuesday to accept latest North Korean proposal for the resumption of the preparatory contact for the South-North parliamentary talks.

The South Korean delegates, however, agreed to suggest July 19 as the date of the 11th contact, instead of July 12 as proposed by Pyongyang, in view of a tight schedule facing the on-going special session of the South Korean National Assembly. The South Korean delegation is expected to convey its counterproposal earlier in July. The preparatory contact has been suspended since its 10th session on Jan. 24 as North Korea unilaterally turned down all inter-Korean dialogues in protest against annual South Korea-U.S. joint military exercises.

Proposal Being Drafted for Non-Aggression Pact

SK2606124690 Seoul YONHAP in English 1212 GMT 26 Jun 90

[Text] Seoul, June 26 (YONHAP)—The South Korean Government is now drafting a proposal for the conclusion of a non-aggression pact with North Korea in preparation for possible progress of inter-Korean talks, National Unification Minister Hong Song-chol said Tuesday.

Speaking at an interpellation session of the National Assembly, Hong said the proposal will be based on such essentialities as mutual recognition of existing border and differences of political and social orders, non-use of military force and peaceful settlement of disputes, and an international guarantee of mutual non-aggression.

Hong said North Korea seemed to be intending to accept the non-aggression pact after it had signed a peace accord with the United States and had the U.S. troops pulled out of South Korea.

He said, "I think the peace accord and all others should be struck with South Korea since these are the problems that should be handled by Koreans." He went on to say, "as far as I know, that view is held also by the United States." Meanwhile, Prime Minister Kang Yong-hun said in the same question-answer session that top leaders are desired to meet and adopt a "Korean commonwealth charter" to open the path for the non-aggression pact.

North, South Generals Meet, Reminisce About War

SK2706040490 Seoul YONHAP in English 0310 GMT 27 Jun 90

[Text] Seoul, June 27 (YONHAP)—Gen. [General] Paek Son-yop and Gen. Yi Sang-cho sat on opposite sides of the table when the armistice talks to end the Korean war began in Kaesong, North Korea, on July 10, 1950.

The South Korean and North Korean officers saw each other as the hated enemy of the people for whom they were ready to lay down their lives. On Tuesday, the two met again for the first time in 40 years and a transformation had taken place. Each said the other was a likeable old man who wished to see no more war or fighting.

"We are friends now," Yi said when he met Paek at a hotel in Seoul where a seminar on the Korean War was in session. The seminar was sponsored by the war memorial service Korea, whose supporting association is headed by Paek.

"Gen. Paek and I were soldiers. And as soldiers we had the single sense of mission that we had to fight for the nation and win. We fought each other, but we were not personal enemies," Yi said. Paek, 70, and Yi, 75, were both two-star generals on the South and North Korean delegations to the truce talks.

"One day during the meeting, Yi handed a piece of paper to me. 'Even hungry dogs of a family in mourning are better than a cat's paw of the American imperialists,' was written on the paper. I seriously wanted to shout back. 'bastard, you started the war!' And hit him in the face, but I could not say anything. Only the chief delegates could talk," Paek said.

"Why did you do that?" A smiling Paek asked Yi Tuesday.

"Did I? I can't remember," was the embarrassed reply.

The two still live in different worlds—Paek in Seoul and Yi in the Soviet city of Minsk—but the passage of time has brought many bonds between them.

Their foremost wish is to see the Korean peninsula united during their lifetimes, and the last thing they want to see is another war there.

"As a man who joined in the revolution for democracy to serve the people, I can't suppress anger and sorrow whenever I think of developments in North Korea. Kim Il-song has made the people's Army his private corps," Yi lamented.

North, South Scholars To Attend Meeting in Aug

SK2706020290 Seoul THE KOREA HERALD in English 27 Jun 90 p 1

[Text] Tokyo (REUTER)—About 150 north Korean scholars will join south Korean and foreign counterparts at an international conference of Korean studies in Japan in August, conference organizers said Tuesday.

The Aug. 3-5 meeting at Osaka in western Japan will be attended by 1,200 Korea experts from 19 countries, including China, the United States, the Soviet Union, Canada, Czechoslovakia, France, Britain and Japan, they said.

"It will be unprecedented to see 150 scholars from north Korea coming to Japan at the same time," one of the organizers said.

They would sit with 300 counterparts from south Korea, she said. The north Koreans will include Kim Chol-sik, vice president of the Academy of Social Sciences, and Choe Chang-yong, vice president of Kim Il-song University.

Japan and north Korea do not have diplomatic relations and Pyongyang and Seoul have been enemies since a bitter 1950-53 war divided the Korean Peninsula.

About 500 reports will be delivered on topics ranging from language, culture and history to economics, politics, science and technology.

The conference, the third and largest in a series, will be jointly sponsored by the Institute of Asian Studies of the Osaka University of Economics and Law and the Institute of Korean Culture Studies of Beijing University, with the backing of the Japan's foreign and education ministries, organizers said.

KGB Said Behind Visit by Many Soviet-Koreans

SK2706042690 Seoul Domestic Service in Korean 0300 GMT 27 Jun 90

[YONHAP from Tokyo]

[Text] Today, in a report wirefiled from Seoul, SANKEI SHIMBUN said the KGB, the Committee for State Security, appeared to have been behind the Soviet Union sending many anti-Kim Il-song defectors to Seoul.

This newspaper reported many anti-Kim Il-song defectors recently came to Seoul to attend events on the 40th anniversary of the outbreak of the 25 June war, when rumors have been spreading that the KGB influenced the collapse of Ceausescu's regime in Romania and that these defectors are very likely to have links with the KGB.

SANKEI SHIMBUN also reported people strongly feel that having these defectors disclose Kim Il-song's career, thus severing ties between Kim Il-song and the North Korean people and leading them to a popular revolt, may be the main purpose of this move.

Association Figure on 'Rosy' ROK-USSR Trade

SK2706010690 Seoul THE KOREA TIMES in English 27 Jun 90 p 8

[Text] Nam Tok-u, chairman of the Korea Foreign Trade Association, predicted a rosy future for economic cooperation between Korea and the Soviet Union, terming the bilateral relationship "complementary" in an interview with the TASS News Agency during his recent visit to the communist superpower.

Nam, who visited the Soviet Union June 2-16 as the head of a Korean economic delegation, told TASS that "we learned much about the Soviet Union through this visit because this is the first visit for most of our delegates."

The Soviet state-run news agency quoted Nam as saying, "We will be able to learn more how to do business with Soviet entrepreneurs."

While in the Soviet Union, Nam signed an agreement of cooperation between the Korea Foreign Trade Association and the Soviet Chamber of Commerce and Industry while the other delegates, mostly Korean business executives, negotiated with Soviet businessmen on the establishment of joint ventures.

Noting that the Soviet Union is in dire need of huge consumer products in its shift toward a market-based economy, Nam said Korea is capable of supplying enough consumer goods for the Soviets, TASS reported.

Nam was quoted as saying that a joint venture development of Soviet natural resources in which Korea is lacking will serve the interests of both countries.

"For a considerable period, the overwhelming trade between Seoul and Moscow will be barter trade in which Soviet natural resources such as wood and coal are swapped for Korean industrial products," he was quoted as saying.

Touching on another promising joint venture field, Nam proposed cooperation in hi-tech development, the agency reported.

Asked what he believes is hindering the development of the bilateral relationship, Nam replied that the absence of diplomatic ties between Seoul and Moscow is the main stumbling block to the relationship, it said.

"In economic aspects, political uncertainties in the Soviet Union are also preventing Korean businesses from making large-scale investments in the country," TASS quoted him as saying.

But Nam predicted that Korean investments in the Soviet Union [illegible] grow remarkably if the Soviet government takes due measures to solve problems in currency unconvertibility, investment guarantee and tax, the agency reported.

Three Economic Agreements Initialed With Romania

SK2706055790 Seoul YONHAP in English 0541 GMT 27 Jun 90

[Text] Seoul, June 27 (YONHAP)—South Korea and Romania initialed three agreements Wednesday aimed at promoting trade and economic cooperation between the two countries, the foreign ministry said. The three are an agreement on economic, scientific and technical cooperation, a trade pact and an accord on the mutual promotion and protection of investment. The pacts are to take effect after each nation finishes its domestic procedures.

Yi Ki-chu, assistant foreign minister for economic affairs, and Ioan Vasiliu, Romanian deputy minister for foreign trade, inked the agreements in Seoul, a ministry spokesman said. Under the three accords, the two nations will grant each other most-favored nation status. They will also establish a joint committee for scientific and technical cooperation. Romania is the third East-bloc nation to conclude an investment guarantee with Korea, following Poland in November 1989 and Hungary in December 1988.

President No Gives Credentials to New Envoys

SK270601[illegible]90 Seoul THE KOREA TIMES in English 27 Jun 90 p 2

[Text] President No Tae-u gave credentials to nine new ambassadors, including four to East European countries at Chongwadae [presidential residence] yesterday. They are Kim Chwa-su to Bulgaria, No Yong-chan to France, Yi Hyon- hong to Romania, Son Chun-yong to Czechoslovakia, Han Sok-chin to Algeria, Kwon Yong-sun to Mongolia, Kim Il-kon to Nepal, Kim Hang-kyong to Burma, and Kim Sung-yong to Ethiopia.

Daily Calls for Withdrawal of Nuclear Weapons

SK2706045790 Seoul HANGYORE SINMUN in Korean 26 Jun 90 p 2

[Editorial: "Nuclear Weapons on the Korean Peninsula and Ending the Cold War"]

[Text] The United States has neither admitted nor denied the deployment of nuclear weapons on the Korean peninsula. This has been the policy of the United States. Therefore, the types and number of nuclear weapons deployed on the Korean peninsula and in the area around it have not been officially released yet. Many foreign experts on military affairs, however, have insisted that a considerable number of nuclear weapons have been deployed on the Korean peninsula and in the area around it.

According to the data announced by Selig Harrison of the Carnegie Foundation at the Cato Institute, there are 60 nuclear bombs for F-16 fighters stockpiled at Kunsan base, and 21 nuclear mines, 30 155-mm nuclear launchers, 40 eight-inch nuclear launchers, and 20 lance missile launchers capable of firing nuclear warheads are deployed in South Korea.

If Harrison's report is true, it is clear South Korea—which has been known to be in a favorable position in the political and economic fields—has an advantage, in the military field as well, over North Korea, whose possession of nuclear weapons has not been confirmed. It is difficult to deny, granting there is no nuclear weapon deployed in South Korea, that South Korea, which is now under the strong military assistance and support of the United States—which has deployed powerful military forces equipped with nuclear arms in the area around the Korean peninsula—has an advantage over North Korea.

This notwithstanding, the two countries of South Korea and the United States have made no effort to reduce nuclear weapons and military strength deployed in this region, simply under the excuse North Korea is superior to South Korea in military power and that North Korea has not renounced its "wild ambition for a southward invasion." They instead have urged North Korea to sign a nuclear safety agreement, which is an obligatory provision in the Treaty on the Non-Proliferation of Nuclear Weapons.

For the United States to urge North Korea to sign a nuclear safety agreement while deploying numerous nuclear weapons in South Korea and the area around the Korean peninsula lacks persuasive power. As long as North Korea feels the presence of U.S. forces in South Korea, as well as the nuclear weapons it claims to be deployed there, is a threat to it, it is difficult to expect North Korea will sign a nuclear safety agreement, as urged by the United States, or accept any other disarmament proposal.

Therefore, if South Korea and the United States truly have the will to induce North Korea to come to the table of dialogue, they should first take steps to assure North Korea the nuclear armed forces deployed in South Korea and the area around it are not a threat.

The United States and the Soviet Union have declared the end of the cold war. But there have not been any moves for disarmament reported in Northeast Asia, as seen in Europe. Therefore, if the United States and the Soviet Union truly want to end the cold war system, they also should make efforts for disarmament in Northeast Asia.

Classes, Student Protests Resume at University

SK2606005590 Seoul THE KOREA TIMES in English 26 Jun 90 p 3

[Text] Classes resumed yesterday at King Sejong University after a 71-day suspension, but students deserted lectures and even kicked the university president and some professors out of campus.

Some of about 800 militant students, armed with iron steels and wooden clubs, broke into administrative offices to drag new president Yi Chung-hwa out of school grounds. Protesting students, occupying campus buildings, started a sit-in to demand Yi's resignation. Yi was elected last week at an emergency faculty meeting to replace Pak Hong-ku, the target of the class boycott.

The school was closed down in mid-April in the wake of disputes over the campus administration. School authorities announced earlier that classes would continue through the end of August without summer breaks to meet the minimum requirement of a 14-weeks of classes as required by the academic calendar.

Radical students, defying a warning from the authorities they faced flunking en masse if there is a class boycott, blocked other students from attending the classes. Protesting students discouraged their schoolmates from attending the classes, distributing leaflets. Students attended the first-hour lectures, but left soon after.

Protesting student council leader Hong Song-su, and the reinstatement of 16 other council leaders who were kicked out of the school for illegal protests. The hard-line struggle was led by scores of activist students who had staged a sit-in protest at nearby Konguk University for the past 20 days, school officials said. Early this month, police raided the King Sejong University campus to arrest trouble-making student leaders and to break up the prolonged sit-in.

"Classes should be go on, otherwise all the students will fail to advance to the next semester," said Yi who assumed the office as his predecessor Pak resigned after taking responsibility for the campus dispute. Pak was named last fall as chief administrator by the school board and his appointment touched off severe protests from students.

PPD, DLP Differ on Local Autonomy, Elections

SK2706060290 Seoul YONHAP in English 0528 GMT 27 Jun 90

[Text] Seoul, June 27 (YONHAP)—A senior official of the ruling Democratic Liberal Party (DLP) said Wednesday that the party wanted bills on local autonomy to clear the ongoing National Assembly Session despite opposition objections so that local elections can be held this year.

"If we fail to reach a compromise on implementation of local autonomy, it is desirable for us to carry DLP bills on local autonomy through the National Assembly to hold local council elections this year," DLP Secretary-General Pak Chun-pyong said.

The DLP and the opposition Party for Peace and Democracy (PPD) differ mainly over whether political parties will be allowed to field candidates in the elections. The ruling party wants a ban on political parties fielding candidates and on members of the National Assembly campaigning for candidates in the elections. The PPD strongly opposes this stand, making it difficult for the two sides to agree on implementation of local autonomy, an election pledge by President No Tae-u.

"My private opinion is that it is impossible for our party to delay implementation of local autonomy because it was President No's promise to the people," Pak said. His remark is construed as hinting that the DLP might use its overwhelming majority to force passage of the bills over PPD objections, a political source said.

But the source also said implementation of local autonomy may be delayed until 1991 due to unfavorable domestic circumstances, such as economic and political difficulties. The government and ruling party especially worry that if local elections were held this year, the vast amounts of money spent by candidates would cause economic and social confusion, the source said.

Outlawed Teacher's Union Leader Leaves Prison

SK2706011690 Seoul THE KOREA TIMES in English 27 Jun 90 p 3

[Text] Wonju, Kangwon-to—Yun Yong-kyu, 54, founding president of the outlawed National Teachers Union (Chonkyojo), was released yesterday from a prison here on the expiration of his one-year prison term. Yun, formerly a teacher at a physical education high school, was convicted and sentenced to one year for his illegal organization of the teachers' union.

About 200 Chonkyojo supporters, braving heavy rain to welcome Yun in front of the prison gate, cheered three times for Yun, who looked slim but determined to revive the union. Yun and others, holding a placard reading, "Welcome Chonkyojo leader Yun Yong-kyu," marched in procession downtown. They sang protest songs and shouted slogans demanding the legalization of the union, but police did not block the peaceful march.

At a meeting with reporters in the Wonju branch office of the union, Yun said he will continue his struggle to achieve legal status for the union, not as "a leader, but as a member of the rank and file."

"Head-on crashes with the government authorities are no longer desirable. If Education Ministry officials still turn a deaf ear to our demand for dialogue, the union will keep the nonviolence principle," he said.

"About 1,600 teachers ousted for the unauthorized union movement should be reinstated first of all," he said. Referring to the union's hard-line stance and its close solidarity with dissident groups, Yun said a politically-minded union movement would only offer an easy excuse for a government crackdown.

Pollutants From China Said Causing Acid Rain

SK2706062090 Seoul YONHAP in English 0612 GMT 27 Jun 90

[Text] Seoul, June 27 (YONHAP)—Pollutants carried by winds from China are one of the causes of acid rain in Korea, the National Institute of Environmental Research (NIER) said Wednesday.

According to NIER officials, a direct relationship has been confirmed between pollutants in winds from China and the acidity of the rain falling in Korea. In a study begun in mid-1987 and to be completed in the summer of 1991, it was found that when the wind from China is strong, the rain falling in Korea is more acid, and when the wind becomes weak, the acidity goes down.

When strong winds were blowing across Korea from China on Jan. 18-23 last year, rain in Seoul and Kanghwa registered ph 4.3 and 5.3, respectively, against the environmental standard of 5.6. Ph is the unit of acidity, with Ph 7 indicating neutrality. Acidity increases as the figure decreases. On Aug. 13-21, 1988, when air currents from China were weak, rain in Seoul contained less acid than the environmental standard at Ph 6.

Ground Broken for Subway Between Airport, Seoul

SK2706041490 Seoul YONHAP in English 0257 GMT 27 Jun 90

[Text] Seoul, June 27 (OANA-YONHAP)—Ground was broken Wednesday for construction of a 52-kilometer long subway line connecting Kimpo International Airport, the gateway to South Korea, with downtown Seoul.

Work began on line five's 17-kilometer Kangso section (Kimpo Airport-Yoido) and the 15-kilometer Kangdong section (Wangshimni-Koduk) for completion in 1993. Construction of the remaining 20-kilometer section, comprising a 13-kilometer downtown section (Yoido-Wangshimni) and a seven-kilometer Koyo section (Kildong-Koyo), is scheduled to start in November for completion in 1992.

Seoul city plans to build 150 kilometers of subway lines by 1997, starting with a 15.5-kilometer section (Chamsil-Songnam on the eighth line) in November, a 16-kilometer section (Sanggye-Hwayang on the seventh line) in December, and a 61.5-kilometer section (on the sixth, seventh and eighth lines) in 1993. The second phase of the project will cost 3.957 trillion won (5.57 billion U.S. dollars) and the 49-station first phase will cost 1.418 trillion won (2 billion dollars).

Line five is expected to provide relief from the crowded roads between east and west Seoul and lift subway ridership from 18.8 percent to 32.2 percent of travelers, or from 3.1 million to 6.94 million people a day. The capital has a subway network of 116.5 kilometers. Commuting time will be shortened to 30 minutes from over 60 for people living in Kangso and Kangdong and working in downtown Seoul.

Line five features a tunnel from Yoido and Chonho-Tong, an automatic driving and managing system that does away with drivers and trains running every two minutes. It will also have escalators and lifts at every station, along with shops and other facilities.

President No Tae-u was at the ground-breaking ceremony, where he said the government would build 535 kilometers of subway lines in six cities, including Seoul, between this year and 2001. Besides subway construction, No said, inter-city highways would be expanded to hasten industrialization and development as well as to ease growing urban congestion.

Cambodia

Phnom Penh Reportedly Wants Talks on SNC

BK2706051290 Hong Kong AFP in English 0455 GMT 27 Jun 90

[Text] Phnom Penh, June 27 (AFP)—The Cambodian Government here wants talks with the resistance on the functions of a transition administration before the U.N. Security Council's permanent members meet next month, an official said. The official said Tuesday [27 June] that the resistance alliance led by Prince Norodom Sihanouk appeared to be setting new conditions for the functioning of the proposed supreme national council (SNC) that would not make it a viable body.

Phnom Penh Prime Minister Hun Sen signed early this month in Tokyo a bilateral pact with the resistance alliance, represented by Prince Sihanouk, under which the two sides agreed to stop fighting on the formation of the SNC. The SNC was to be set up by August and comprise six members of the Phnom Penh government and six representatives of the three-party resistance coalition. But the communist Khmer Rouge, the military muscle of the Cambodian opposition, and its powerful backer and U.N. Security Council permanent member China have rejected the accord saying all four parties should have equal representation.

The Phnom Penh government has named its six members to the SNC but the factions led by Prince Sihanouk and nationalist Son Sann have only appointed two representatives each, leaving two seats vacant for the Khmer Rouge.

Prince Sihanouk has said that the decisions of the SNC, a transition government in the run up to general elections, must be unanimously carried by all 12 members. This would effectively make it powerless under the current set-up and the official here said the government wanted to hold talks with the resistance to clarify the role of the SNC before the permanent members of the U.N. Security Council meet in Paris next month. He said the talks could be held in Bangkok as it would be the most convenient venue.

The five U.N. Security Council permanent members—Britain, China, France, the Soviet Union and the United States—have invited the four warring Cambodian factions to join their meeting, but it is not clear if all sides will agree to attend.

Radio Criticizes 'Tricky' Son Sann Letters

BK2506144590 Phnom Penh Domestic Service in Cambodian 1300 GMT 25 Jun 90

[Station commentary: "Son Sann's Tricky Scheme"]

[Text] Recently, in his capacity as the prime minister of the Coalition Government of Democratic Kampuchea [CGDK], Son Sann sent two letters to Amnesty International in London and the International Committee of the Red Cross. In these letters, Son Sann called on these two international organizations to assist in getting the Government of the State of Cambodia to release so-called political prisoners. We ask: What right does Son Sann have to meddle in this matter?

Our people still remember very well that when the genocidal Pol Pot clique massacred, tortured, and forced people throughout the country to live in the so-called cooperative villages, which were in fact prisons without walls, Son Sann stayed quietly abroad. But following the liberation day of 7 January 1979 when the iron yoke and seas of blood and tears were totally overthrown by the Cambodian people with the assistance of the Vietnamese volunteer troops, Son Sann rose up tremulously to form the so-called Khmer People's National Liberation Front in a sanctuary, set up a base in a refugee camp, and then started to clamor about the violation of human rights in Cambodia.

On 22 June 1982, having failed to realize his ambition to recover whatever he had lost, Son Sann did not hesitate to forge an alliance with the criminals whose hands are stained with the blood of over 3 million people. Since then, Son Sann has become a thick-faced lawyer serving the Pol Pot clique.

We ask another question: As the prime minister of an exiled government with approximately 300,000 Cambodian refugees under its rule, what has Son Sann done to help these refugees?

The miserable life of the compatriots living in refugee camps has been made known throughout the world by Western propaganda networks and UN officials. Refugees have been oppressed and deprived of their rights and freedoms. They are living like slaves and have been forced to transport ammunition and food from the other side of the border into the interior of the country. During these trips, these refugees have been injured or killed in a miserable manner, stepping on land mines, being hit by bullets, or suffering from malaria. Simply put, the refugees who have been called people loyal to the fighters are in fact the prisoners of the CGDK.

Has Son Sann arranged any measures to release these compatriots?

The Government of the State of Cambodia has time and again announced its readiness to welcome these refugees on the basis of orderly and voluntary repatriation. But we have always received negative responses from the other Cambodian groups, including Son Sann.

Recently, when Pol Pot forced refugees to live in the war zone adjacent to the Thai border, using them as a shield to stop bullets, Son Sann also pretended not to hear and see. Moreover, during the past eight months, Son Sann's men, having seen that the Vietnamese volunteer troops were already repatriated, launched an offensive into a number of border points where they massacred innocent people in an atrocious manner, similar to the Pol Pot clique. Houses and property of the people were burned and plundered. Women were raped, and men were put in confinement. What has Son Sann done to help these innocent people?

In light of this, it is clear that Son Sann's sending letters to these two international organizations is just a tricky scheme to make international public opinion—which is helping to seek a political solution to the Cambodian problem—doubtful about realities. This is just an echo of the slander made by the international reactionaries, with the imperialists as the ringleaders, about the so-called crackdown on a democratic movement.

During the past more than 11 years, as an independent and sovereign state and in the defense of democracy, the State of Cambodia has taken concrete and fair measures to defend the people's interests. Persons who act contrary to the Constitution and the state's laws and regulations must be punished according to their wrongdoing. This is not a crackdown on those who call for democracy nor an arrest of politicians.

The Cambodian people wish to remind Son Sann—who might be forgetful due to old age—that before slandering others he should first take a look at himself, and whether he has had ways to release himself from being the hostage of Pol Pot.

Bou Thang at Youth Union Anniversary Meeting

BK2306042690 Phnom Penh Domestic Service in Cambodian 1200 GMT 22 Jun 90

[Excerpt] A meeting was held recently at the 26 August Guest House in Phnom Penh to mark the 35th founding anniversary of the Cambodian People's Revolutionary Youth Union under the chairmanship of Comrade General Bou Thang, member of the party Central Committee Political Bureau, vice chairman of the Council of Ministers, and chief of the General Political Department of the Cambodian People's Armed Forces [CPAF]. The meeting was attended by many representatives of youth union organizations attached to the three CPAF general departments and units under the Defense Ministry. [passage omitted]

Chea Sim Addresses 7th Division on Combat Work

BK2606112590 Phnom Penh Domestic Service in Cambodian 0430 GMT 26 Jun 90

[Text] A ceremony was held at the Political School of the 7th Division [at Longvek, Kompong Tralach District, Kompong Chhnang Province] on 23 June to sign a friendship alliance agreement among the cabinet of the National Assembly, the cabinet of the Council of Ministers, and the cabinet of the Kampuchean United Front for National Construction and Defense [KUFNCD] National Council, and the 7th Division in the presence of Comrade Chea Sim, member of the party Central Committee Political Bureau and chairman of the National Assembly and of the KUFNCD National Council. Several comrade ministers and deputy ministers of central ministries and offices as well as leaders of mass organizations also attended the ceremony.

Speaking on this solemn occasion, Comrade Chea Sim stressed:

[Begin recording] In this most solemn ceremony, we signed an agreement establishing the alliance between the three cabinets and the 7th Division. This friendship alliance is of great significance to our Cambodian People's Armed Forces [CPAF]. It bears two important meanings:

First, the three categories of our Armed Forces are closely linked in solidarity with the masses.

Second, the three categories of our Armed Forces are the sons and daughters of our people, doing everything in the true interests of the people, respecting and loving the people, and regarding the people as their parents.

This is the significance of today's bonding of friendship.

Our CPAF has a time-honored tradition of struggle. In all periods, from the time we fought the French colonialists onward, our Armed Forces have always been close to the masses and have won their trust, respect, and affection. The people regard them as their best sons and daughters, particularly our 7th Division which was established just a little over six months ago.

Although it is new, the 7th Division has been born out of the three categories of Armed Forces. Cadres in the 7th Division have been tested on every battlefield and have also passed through all stages of revolutionary struggle. The strengthening of this 7th Division means in no way that our party and government are belligerent. It does not mean at all that we want to continue fanning the flames of war. The establishment of the 7th Division is part of the strengthening of the Armed Forces so that they have sufficient means to defend themselves; to defend revolutionary gains, national society, and the peace and happiness of the Cambodian people; and to prevent the return of the genocidal Pol Pot regime.

The successes won over the past 11 years can be seen as a great victory because we started out from scratch. Our party and government have pursued a policy pioneered by the fourth and fifth party congresses and the second national conference of party cadres. From there, thanks to the all-around efforts within the CPAF along with the participation of cadres at all levels and the people throughout the country, we have registered these great achievements.

Over the past 11 years, if we did not enjoy the support and participation of the people, we would not have been able to have such great successes. These 11 years have been just a section of road that we have traveled. We experienced thousands of complex difficulties, and we succeeded in solving all of them because our cadres at all levels throughout the country have been united as a single body in thoroughly implementing the line, policy, and resolutions of the party and government and because the people throughout the country have massively taken part in these endeavors.

Now let us consider the piece of road we have yet to travel. It is still a long section of road strewn with thousands of new complex difficulties. It requires that the three categories of our CPAF raise higher the banner of great union within the Armed Forces and remain determined to fight the enemy to defend the party, the authorities, the gains of national society, and the peaceful lives of the people. Moreover, cadres at all levels within the party and administration must hold aloft the banner of great national union, must be active in struggle, and must be resolute to implement at all costs the line, policy, and resolutions put forward by the party. Whether our steps forward are slow or fast, they must be made according to the inexorable law of nature. However, the true evolution of our national society essentially requires that cadres at all levels must not spare any efforts, be they physical, intellectual, or ideological. Most important of all is the need to raise their sense of responsibility.

To date, our party and government have tried by all means to find a political solution to the Cambodian problem. Recently, there was the Tokyo meeting to solve this problem and, as a first step, to effect a cease-fire. The results of the Tokyo meeting have not yet taken shape, and the cease-fire agreement has not yet gone into effect. This meeting, however, has had a positive result. Above all, through this meeting, international circles have clearly seen the goodwill of our party and government in sincerely wishing for a political solution.

As a result of the Tokyo meeting, we obtained the signing between Hun Sen and Sihanouk of a joint communique on a cease-fire. This joint communique has not yet gone into effect. It requires the first meeting of the soon-to-be-created national council made up equally of members from both opposing sides. Only after this national council is created will the cease-fire agreement become effective.

Of course, I want to make it clear here to the 7th Division as well as to all our Armed Forces throughout the country that although Khieu Samphan went to Tokyo to join the talks, the enemies still have many perfidious maneuvers in store for us. First, they continue to try to launch offensives to seize territory, to grab positions, and to win superiority over our CPAF.

Second, the three reactionary Khmer groups, especially the Khmer Rouge, continue to create all conditions in order to obstruct the negotiations, accords, and cease-fire agreement. This cease-fire agreement, therefore, is not the political solution in and of itself. It is merely part of the solution. For this reason, we are of the opinion that, as far as the enemies are concerned, even if there is an agreement and this agreement has gone into effect, they will continue to create all kinds of conditions to keep attacking us. They seek by all means to attack us. We firmly believe that the three reactionary Khmer groups would not join any talks that would not allow them to win superiority over our CPAF or to topple our State of Cambodia. On the contrary, they would do everything to obstruct and scuttle them, and they would spare no efforts to protract the war and prolong the struggle against our State of Cambodia. It is true that in their talks, the three reactionary Khmer groups would not hesitate to gamble with the lives of the Cambodian people on the negotiating table.

Samdech Norodom Sihanouk was once told in no uncertain terms of the true position of the Khmer Rouge. They said that to resolve the Cambodian problem, they absolutely would not resolve it through political means, but only militarily. This is the true position of Pol Pot, or of the Khmer Rouge. It is difficult for the Khmer opposition to come up with any political solution to the Cambodian problem without the approval of the Khmer Rouge. The Khmer Rouge used its right of veto in Paris, and recently in Tokyo it tried to torpedo the cease-fire agreement.

Therefore, I appeal to the CPAF to heighten its fighting determination against the enemies. If they fail to topple our State of Cambodia, they will continue to attack us with or without an agreement. The ones who will violate the agreement are not the party of our State of Cambodia. Those who will violate the agreement are the tripartite coalition, especially the Khmer Rouge. They are surely going to violate the agreement when it goes into effect. For this reason, we must focus on strengthening the views, stance, and sense of responsibility of the Armed Forces. We must always stay in control, constantly be on guard, and constantly be ready to fight any violations of the agreement by the Khmer opposition.

To build our Armed Forces and to raise their capabilities, potentials, sense of responsibility, and courage and determination to sacrifice their lives for the nation and people, first of all, we must build the ranks of cadres within the Armed Forces. All cadres at all levels in the Armed Forces must set good examples for the combatants. They must set examples in all fields, such as lifestyle, day-to-day work, leadership and combat command, and observance of army discipline. This is very important. What should we do to ensure that our Armed Forces become strong?

First of all, the political and combat work must be strengthened. Every soldier must clearly know his friend from his foe and must dare to fight the enemies to defend the interests and lives of the people. We must keep in mind that if we do not undertake that work, who will do it for us? All of us must not be afraid to sacrifice our lives for the nation and people. Second, staff affairs must be skillfully and wisely handled. Enemy activities should be firmly grasped [words indistinct] and proper fighting plans drawn up so that we will be superior to the enemies. The staff must be intelligent, skillful, and creative.

Third, logistics cadres should provide for the livelihood of the Armed Forces. That is very important. If only political and staff work is well done, while logistics supplies are lacking and the living conditions are inadequate, then the Army will not be strong and it will not be able to fight. The logistics department must therefore be creative. Do not forget that the army marches on its stomach. A well-fed army is a strong army.

I appeal to cadres at all levels in the Armed Forces and cadres in the ministries and authorities in all sectors to help promote the great national union, heighten the sense of responsibility, be active in combat, and use to the hilt their dynamism and physical, moral, and intellectual strength for the success of our struggle.

At the same time, I would like to express warm congratulations to all present at this solemn ceremony to bind friendship and solidarity between the three cabinets and the 7th Division and for the success achieved today as well as in the future. On behalf of the delegation, I wish the command, cadres, and combatants of the 7th Division the best of health and successes in all revolutionary tasks entrusted by the party and state. [end recording]

This ceremony concluded in an atmosphere of great joy and solidarity after representatives of the three cabinets and the 7th Division had signed a friendship alliance agreement.

Tie Banh Receives Local, Foreign Delegations

BK2306072690 Phnom Penh Domestic Service in Cambodian 1200 GMT 22 Jun 90

[Excerpt] As the entire party, Armed Forces, and people were celebrating the founding anniversary of the Cambodian People's Armed Forces and the Army-people solidarity day, 19 June 1951-19 June 1990, Comrade General Tie Banh, member of the party Central Committee Political Bureau, vice chairman of the Council of Ministers, and minister of National Defense, granted an audience to national and international delegations during which they extended greetings and best wishes to members of our Armed Forces throughout the country.

These delegations included the state-party delegation led by Comrade Sim Ka, alternate member of the party Central Committee Political Bureau and vice chairman of the party Central Committee's Control Commission; delegations of Vietnamese, Lao, Soviet, and German military attaches; a delegation of mass organizations led by Comrade Ros Chhun, member of the party Central Committee and secretary of the front's National Council; a delegation from Phnom Penh capital led by Comrade Thong Khon, alternate member of the party Central Committee and chairman of the Phnom Penh Municipal People's Committee; a delegation of Indian military attaches led by General Puri; and a delegation of the Soviet economic advisors group. [passage omitted]

Lao Army Department Chief Greets Pol Saroeun

BK2606103590 Phnom Penh Domestic Service in Cambodian 1200 GMT 25 Jun 90

[Text] On the occasion of the 39th founding anniversary of the Cambodian People's Armed Forces [CPAF] and the army-people solidarity day, Comrade Major General Ai Souli-gnaseng, chief of the Lao People's Army [LPA] General Staff Department, has sent a greetings message to Comrade Lieutenant General Pol Saroeun, alternate member of the Kampuchean People's Revolutionary Party Central Committee Political Bureau, deputy defense minister of the State of Cambodia, and chief of the CPAF General Staff Department. The message noted:

Dear comrade lieutenant general: On the occasion of the 39th founding anniversary of the CPAF, on behalf of cadres and combatants of the LPA General Staff Department, and in my own name I would like to extend warmest greetings and best wishes to you and, through you, to cadres and combatants of the fraternal CPAF.

Over the past 39 years, the CPAF have grown up rapidly and have been able to firmly defend Cambodia and its revolutionary gains, thus contributing to safeguarding peace and maintaining the bond of solidarity among the three Indochinese countries. I am convinced that the relations and the special bond of combat solidarity between our two peoples and two armies in general, and between our Lao and Cambodian General Staff Departments in particular, will further strengthen and develop.

May the comrade enjoy good health, powerful strength, and successes in all your noble tasks.

Hun Sen Congratulates New Afghan Premier

BK2506051290 Phnom Penh SPK in English 0406 GMT 23 Jun 90

[Text] Phnom Penh SPK June 23—Hun Sen, chairman of the Council of Ministers of the State of Cambodia, has conveyed warmest congratulations to Fazelraq Khalekyar on his appointment as prime minister of the Republic of Afghanistan.

In his congratulatory message the Cambodian premier expressed his firm conviction that under his excellency's leadership national reconciliation would be realised in Afghanistan.

He wished the solidarity, friendship, and multiform cooperation between the governments and peoples of the two countries further consolidation and development.

Hun Sen Receives Red Cross Delegate 25 Jun

BK2706123490 Phnom Penh SPK in English 1058 GMT 27 Jun 90

[Text] Phnom Penh SPK June 27—Hun Sen, chairman of the Council of Ministers and foreign minister of the State of Cambodia, received in Phnom Penh Monday [25 June] afternoon Jean Michel Monod, a delegate of the International Committee of the Red Cross [ICRC].

The two sides exchanged views on the cooperation between the ICRC and the Red Cross of Cambodia, especially the ICRC's assistance to the Cambodian people at present and in the future.

Also present on the occasion were Long Visalo, Cambodian deputy foreign minister; My Samedi, general secretary of the Red Cross of Cambodia; and Bertran Kern, ICRC representative to Cambodia.

'Successes' of Kompong Thom Armed Forces Noted

BK2706052890 Phnom Penh Domestic Service in Cambodian 1300 GMT 27 Jun 90

[Text] Kompong Thom Province's Armed Forces are always expanding their position of victory and scoring more successes in fighting the enemies to defend the motherland. They also promote close cooperation with regular armed units stationed in the province as well as with militia forces, state authorities, and people in various localities.

In 1989 in particular, since the complete repatriation of the Vietnamese volunteer troops from Cambodia, the Kompong Thom provincial Armed Forces have upheld their mastery in fighting, searching, ambushing, and attacking the enemies, causing every maneuver and activity conducted by the bandits of the three Cambodian reactionary factions to incur continuous serious setbacks. As a result, our forces put some 2,000 enemy soldiers out of action, including 702 killed, 65 captured, and many wounded. We seized 450 assorted guns and a great quantity of war materiel. Facing constant defeat, 848 enemy soldiers, who brought along 383 firearms and some war materiel, surrendered to our state authorities.

It is worth noting that despite the joint communique calling for voluntary self-restraint from using force, which was signed recently by Comrade Chairman Hun Sen and Samdech Sihanouk in Tokyo, the three Cambodian reactionary forces remain uninterested. Instead, they have intensified their operations against us. They continue their criminal and destructive activities against our people in the areas they overrun.

As a matter of fact, on 17 June the enemies took a chance in attacking Kompong Thom Province's defense perimeter with 700 to 800 troops. However, our people's Armed Forces inflicted heavy defeats upon them and were able to firmly defend all our positions. As a result, we killed 56, captured four, and wounded over 100 enemy soldiers who were carried away by their companions. We seized 34 firearms and a quantity of war materiel, and we sank an enemy boat.

At present, Kompong Thom Province's Armed Forces are fighting the enemies hammer and tongs so as to drive them out completely, ensuring security for the people and creating favorable conditions to successfully carry out their production activities during this rainy season.

VONADK Reports Chea Sim Planning Coup

BK2706005490 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 25 Jun 90

[Text] According to a Phnom Penh-based trader who is a close friend of puppet Tie Banh, the Vietnamese aggressors and puppet Defense Minister Tie Banh and his clan are closely and secretly keeping an eye on the activities of puppet National Assembly Chairman Chea Sim and other National Assembly members. Puppet Chea Sim has organized several secret meetings with his group. The secret meetings have planned to abolish the puppet constitution, to cache arms, to stage a coup d'etat, and so on.

VONADK Views Rift in 'Puppet Regime'

BK2506085990 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 24 Jun 90

[Text] Report from Phnom Penh:

1. The Vietnamese enemies have transferred Tie Banh from Phnom Penh to Kompong Thom Province.

According to a report, those who were accused of launching activities to topple the traitorous Hun Sen-Heng Samrin puppet regime have referred to traitor Tie Banh in the investigation. Worried about Tie Banh's power, traitor Hun Sen has proposed that the Vietnamese enemies send Tie Banh to join the Vietnamese command in coping with the situation in Kompong Thom. Traitor Tie Banh has thus become even angrier with traitor Hun Sen and is trying to take revenge.

2. The Vietnamese running dogs in Phnom Penh are furiously tearing at each other's throats like vultures swooping down on a corpse.

Sources close to the Vietnamese puppets, traitors to the nation, told close relatives that the traitorous Heng Samrin-Hun Sen ringleaders, Vietnamese puppets, are strangling each other for wealth and for rank and status. Puppet Hun Sen's cronies are enraged at and pick quarrels with puppet Heng Samrin's men because the latter received promotions. Puppet Tie Banh's men are very angry with Hun Sen's and Heng Samrin's men for getting promotions despite the fact that they are corrupt and good for nothing. Chea Sim's men are angry with puppet Heng Samrin's, Hun Sen's, and Tie Banh's men as well as the other Vietnamese lackeys. They are furiously tearing at each other's throats like vultures swooping down on a corpse.

These sources also related an amusing story on how, a few days ago, puppet Heng Samrin ordered his armed secret police to arrest and remove a number of Tie Banh's men, accusing them of corruption, graft, taking bribes, embezzlement, and plundering timber. Tie Banh's men were very angry and went around picking quarrels with the other groups. They said: Hun Sen's men, particularly his wife, are highly corrupt. They have trafficked in opium and drugs, embezzled national funds, and even smuggled illegal goods on a large scale. Why aren't they arrested? Why aren't Hun Sen and his men arrested and removed? As a matter of fact, they are all equally bad.

The story about the traitors, Vietnamese puppets, tearing at each other's throats and their corruption and plundering of national and public wealth and property in preparation to flee the country has been spread among the people, puppet administrators, Cambodian soldiers, and militiamen. It has even been heard in other parts of the world. This story cannot be concealed.

3. The Vietnamese aggressors and traitor Hun Sen, Vietnamese lackey, have arrested and jailed more people who oppose them.

According to various sources in Phnom Penh, the Vietnamese aggressors and traitor Hun Sen have arrested and jailed more persons who oppose or are suspected of opposing them. In 10 days, from 8 to 18 June, the Vietnamese aggressors and traitor Hun Sen secretly jailed nearly 300 dissident persons arrested from various puppet ministries. They are now searching and preparing to arrest more people who oppose them.

The report also stressed that the administrators in all Phnom Penh puppet ministries have become very worried and are panicking over the suppression carried out by the Vietnamese enemies and traitor Hun Sen and over their own safety.

Phnom Penh Leaders 'Main Target' of Opposition

BK2506032790 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 24 Jun 90

[Text] Traitors Hun Sen, Heng Samrin, and Tie Banh are the main target of the opposition from officials at all levels in the regime of the Vietnamese enemies and the traitorous puppets. The officials are increasingly furious with the Vietnamese and puppets and are conducting open and secret activities against them.

Recent reports from Phnom Penh said traitor Chea Sim called A Salat had also been investigated by the Vietnamese enemies and traitor Hun Sen because the former used to openly denounce Hun Neng, the half-blind, one-eyed younger brother of Hun Sen and the governor of Kompong Cham Province. He also denounced Heng Samkai, the cattle bandit Heng Samrin's older brother and Svay Rieng Province's governor, and the monkey Tie Banh's older brother, a famous corrupt military commander. Those gangs have concentrated on seizing land and townhouses, trafficking, and practicing unlawful activities.

People asked puppet National Assembly Chairman Chea Sim called A Salat whether he has gained like the others, because as a National Assembly chairman propped up by the Vietnamese he has never had anything. He has freely smuggled opium and nobody dares take action against him.

As for the other middle- and low- level officials, they have become increasingly angry with traitors Hun Sen, Heng Samrin, and Tie Banh. Those traitors and their clans have seriously violated the interests of the people and their families and have forced their children and relatives to fight and die in their place on the battlefield.

VODK on Workers Arrested for Subversion

BK2606091590 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 25 Jun 90

[News commentary: "The Vietnamese Aggressors and the Vietnamese Traitorous Lackey Puppet Hun Sen-Heng Samrin Regime Have Arrested and Sent 2,000 Workers to the Prison in Ho Chi Minh City"]

[Text] According to reports from Phnom Penh, the Vietnamese aggressors and the Vietnamese traitorous lackey puppet Hun Sen-Heng Samrin regime have recently arrested 2,000 factory workers and managers from tanning, glass factories, and so on, and trucked them to the prison in Ho Chi Minh City, Vietnam. Those compatriots have been charged with undertaking activities to topple the Vietnamese puppet regime in Phnom Penh.

At present, with increasingly vigorous offensives launched by our national resistance forces against the Vietnamese aggressors on the battlefield, the struggle conducted by compatriot workers and laborers and puppet officials in various services against the puppet Phnom Penh regime has become more and more active and ardent with each passing day. First, these compatriots protest low salaries and inflation, with the riel depreciated so dramatically that its value is comparable to cigarette paper. Secondly, they protest the Vietnamese enemies' reaping all the profits from factories, enterprises, and banks, because those factories, enterprises, and banks, as well as small or large services and offices, are controlled and administered by Vietnamese advisers and troops. Moreover, the compatriots are furious with the Vietnamese enemies' oppression, ill treatment, and cruel and savage slaughter against them and our people.

Therefore, despite their intensifying cruel and barbaric crackdown on and arrest of the workers and officials, the enemies can never subdue the fire of furor and eradicate the struggle carried out by our compatriots. The latter have become angrier with the Vietnamese enemies and have closely cooperated with each other so as to fight the Vietnamese aggressors more actively and intensely until the enemies have been completely driven out of Cambodia.

AFP on Son Sann's Call for Meeting on SNC

BK2706081690 Hong Kong AFP in English 0759 GMT 27 Jun 90

[Text] Bangkok, June 27 (AFP)—Resistance leader Son Sann called here Wednesday [27 June] for a meeting of Cambodia's warring factions to clear up confusion over the role of a proposed transitional administration. He said the meeting should be held in Bangkok before July talks in Paris by the United Nations Security Council's five permanent members. Mr. Son Sann is head of one of three factions in the Chinese-backed Cambodian resistance, which is fighting the Vietnamese-supported government in Phnom Penh.

In Phnom Penh, an official said Tuesday [26 June] that the government there wanted talks with the resistance on the functions of the transitional administration before the U.N. meeting. He said the resistance alliance appeared to be setting new conditions for the proposed body, known as the supreme national council (SNC), which would not make it a viable [sentence as received].

Mr. Son Sann, who is prime minister of the resistance government recognized by the United Nations, said the three factions had agreed to the meeting and were waiting for an answer from Phnom Penh. "We want to reconvene a technical commission to determine the role of the supreme national council," Mr. Son Sann told reporters.

Phnom Penh proposed the SNC during talks in Tokyo in June to bridge the gap between a cease-fire and general elections for a new government. The two sides agreed to stop fighting once the SNC was formed by August. The SNC would include six Phnom Penh and six resistance representatives and embody national sovereignty, but one of the resistance factions, the Khmer Rouge, has rejected the accord. It says all four parties should have equal representation and has refused to appoint its two alloted representatives to the body.

The overall resistance leader, Prince Norodom Sihanouk, has meanwhile said that all SNC decisions must be unanimous, which would make it hard for the SNC to reach any decisions at all. "The Khmer Rouge want to know what is the real role of the SNC," an aide to Mr. Son Sann said about the faction, which has the strongest army in the resistance.

Peace talks have stalled and fighting continues in Cambodia although the guerrillas, who receive aid from China through Thailand, control no major towns and little territory.

Mr. Son Sann said the SNC must have real power in the five key ministries of defense, foreign affairs, interior, finance and information and represent all four Cambodian factions.

Phnom Penh Prime Minister Hun Sen has insisted that the SNC be an alliance of his government with the resistance on a one-on-one basis rather than an alliance with the three resistance factions. He has refused any direct link with the Khmer Rouge, which killed hundreds of thousands of civilians while ruling Cambodia from 1975 until toppled by a Vietnamese invasion in 1979.

Mr. Son Sann said that "the four Cambodian factions have to participate (in the SNC). If not, it's not just." He reiterated warnings that the Khmer Rouge would seize the country by force if excluded from the peace process. "They do not want to take towns now because international opinion is against them," Mr. Son Sann said. He added that Vietnam remained the "enemy of the Cambodian people since they want to colonize and Vietnamize" the Southeast Asian nation.

Mr. Son Sann said he regretted the recent resignation of Thai Deputy Premier and Defense Minister Chawalit Yongchaiyut. He said the former army commander was the "first Thai personality to deal with the Cambodian factions since 1978" and that if he were still in office "Hun Sen might accept" to meet the resistance in Bangkok. Gen. Chawalit resigned this month after a dispute with another minister. He had been instrumental in arranging peace talks in Bangkok over the past year.

UN Secretary General Replies to Son Sann

BK2406025690 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 23 Jun 90

[Text] On 8 June 1990, His Excellency Javier Perez de Cuellar, secretary general of the United Nations, sent a letter to His Excellency Prime Minister Son Sann. The text of the letter is as follows:

To His Excellency Son Sann, prime minister of the National Government of Cambodia [NGC]: Your Excellency, I have received the letter dated 30 May 1990 which Your Excellency, His Excellency Khieu Samphan, and Prince Norodom Ranariddh sent to me.

I have paid great attention to the stance of the three parties of the NGC regarding the communique of the meeting of the five permanent members of the UN Security Council held in New York on 25-26 May. I highly value your comments on the efforts made by myself and my colleagues. I would like to reassure Your Excellency that I will continue my efforts to achieve a comprehensive political settlement of the Cambodian problem.

Please accept my best regards.

[Signed] Javier Perez de Cuellar, secretary general of the United Nations.

UN Secretary General Replies to Khieu Samphan

BK2406025590 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 23 Jun 90

[Text] On 1 June 1990, His Excellency Javier Perez de Cuellar, secretary general of the United Nations, sent a reply to His Excellency Khieu Samphan, head of the party of Democratic Kampuchea. The full text of this message is as follows:

To His Excellency Khieu Samphan, head of the party of Democratic Kampuchea: Your Excellency, I have received your letter and would like to thank you for writing me regarding the prospects for a settlement of the Cambodian problem. I would like to reassure Your Excellency that I have paid great attention to the stance of the party of Democratic Kampuchea concerning the prospects of a Cambodian solution.

I deeply thank you for your kind words regarding my efforts to seek a comprehensive political solution and for your willingness to give me full cooperation. It is true that the United Nations can fulfill its duty successfully only when all parties concerned are willing to adhere to the agreement on plans for the final solution.

Please accept my best regards.

[Signed] Javier Perez de Cuellar, secretary general of the United Nations.

Phnom Penh Opposition to UN Forces Viewed

BK2606092590 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 25 Jun 90

[Unattributed commentary: "The Aggressor Hanoi Authorities and Their Puppets, Cambodian Traitors, Vehemently Oppose UN Supervision and the Dispatch of a UN Peacekeeping Force to Cambodia Because the Vietnamese Aggressors Have Hidden Hundreds of Thousands of Their Aggressor Troops in Cambodia"]

[Text] During last week's meeting with UN Deputy Secretary General Ahmed Rafiuddin, puppet Hun Sen avoided responding to the deputy secretary general's comments on UN supervision in Cambodia and the dispatch of a UN Peacekeeping Force to Cambodia. This is another proof clearly attesting to the stance of Vietnam and its puppets in opposing the UN role.

The world public has repeatedly demanded UN supervision in Cambodia in order to ensure a comprehensive solution to the Cambodian problem and long-lasting peace, unity, and security in Cambodia. The ASEAN countries and the United Nations have made efforts toward this end for the past 11 years. At present, the five permanent members of the UN Security Council are also striving to promote this comprehensive solution.

Why have Vietnam and its puppets opposed this just demand of the world public? Vietnam is afraid of UN supervision and the presence of a UN Peacekeeping Force because hundreds of thousands of aggressor Vietnamese forces are carrying on a war of aggression and occupation in Cambodia. These aggressor Vietnamese are resisting the struggle waged by the Cambodian national resistance forces on all battlefields throughout the country, in the western border areas, inside the country, and even on the threshold and inside Phnom Penh itself.

On the battlefield, since Vietnam cannot rely on the puppet forces, the aggressor Vietnamese troops have to engage in the fight by themselves. The puppet soldiers are becoming demoralized. These soldiers have kept deserting the Vietnamese enemies. In Phnom Penh, the people and administrators have kept rioting against the Vietnamese enemies and their lackeys, puppet ringleaders, and traitors. Because of this serious situation both on the battlefield and in Phnom Penh, not only have the Hanoi authorities refused to withdraw their troops from Cambodia, but they have kept sending in more fresh troops.

All of this is known to the international community both in the West and the East, as well as to diplomatic and military sources in this region and other parts of the world. For example, in a report dated 26 April 1990, a U.S. congressional committee estimated that by mid-April 1990 there were 64,370 to 66,740 aggressor Vietnamese troops in Cambodia. This is the main reason Vietnam and its puppets have vehemently and obstinately opposed the role of the United Nations and the presence of a UN Peacekeeping Force in Cambodia.

The world knows that the aggressor Hanoi authorities will never let go of Cambodia. On the contrary, they have kept seeking all kinds of maneuvers to continue their aggression and occupation of Cambodia through their puppets. The world people have thus been well aware of the need to further support the struggle waged by Cambodian people and the Cambodian national resistance forces in order to bring pressure on the aggressor Hanoi authorities both at home and in the international arena until they agree to withdraw all their aggressor forces from Cambodia under the supervision of the United Nations and the UN Peacekeeping Force.

VONADK Reports Attack on Kampot Battlefield

BK2406040890 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 23 Jun 90

[Text] On 18 June, our national resistance forces launched a three-pronged attack on Vietnamese positions along Route 3 in southern Chhuk District on Kampot battlefield. The first prong attacked a Vietnamese platoon position adjacent to L'ang hill; the second prong headed toward L'ang Thmei commune near Route 3; and the third prong aimed at Ang Romeas commune on Route 3. Following 30 minutes of fighting, we liberated these three fronts. We killed 10 Vietnamese enemies, including the chief of A-3 military unit, and wounded six others; destroyed five AK's, a machine gun, three commune office buildings, two rice-husking machines, and a quantity of war materiel; and seized a B-40, 10 AK's, two SKS guns, two AR-15's, a rice-husking machine, some field radios, assorted ammunition, and various other war materiel.

The next morning, the Vietnamese enemies and their puppets sent a platoon of troops from Tvea in an attempt to seize their lost positions, but they were ambushed by our forces. We killed six enemies, including a company commander, and wounded six others.

A while later, the Vietnamese enemies and their puppets sent a company of troops from Chhuk to seize their lost positions from us. We ambushed, routed, and forced them to turn back in disarray. We killed two enemies and wounded four. Two hours later, the Vietnamese enemies and their puppets sent two companies of troops from Kompong Trach and Dang Tong to attack us, but these troops were intercepted by our forces. After two hours of fighting, they were routed and forced to retreat. We killed eight Vietnamese enemies, including a company commander, and wounded 18 others. We also destroyed a machine gun, a 60-mm mortar, three AK's, an M-30, and a B-40; and seized four AK's, two SKS guns, a Santo gun, a 60-mm mortar, and a quantity of ammunition. We liberated L'ang Thmei and Ang Romeas communes and five villages, namely Krang Leav, Or Khnong, Anlung Bek, Trapeang Kak, and Ban; and freed 25 village and commune administrators.

In sum, we killed or wounded 60 Vietnamese-puppet soldiers.

Prek Prasap District Township Said Liberated

BK2606022090 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 25 Jun 90

["Special Report on Attack and Liberation of the Prek Prasap District Township in Kratie Province"]

[Text] At 0500 on 19 June, our national resistance forces attacked and completely destroyed and swept the township of Prek Prasap District and the office building of Prek Prasap Commune. Along with this, our forces also swept the office buildings of Kompong Kou and Ta Mau Communes and the position of a battalion defending the Prek Prasap district township, the position of the 27th battalion stationed in Kompong Kou, the A-3 position at Ta Mau, and all the villages and communes along the Mekong River from Prek Prasap Leu to Ta Mau Kraom.

After a one-hour battle, our national resistance forces killed 37 enemy soldiers, including three district officials. We wounded 30 and captured four others. We destroyed 40 assorted firearms—a DK-82 gun, two 60-mm mortars, two machine guns, two Goryunov heavy machine guns, a 12.7-mm machine gun, two pistols, five B-41 rocket launchers, six B-40 rocket launchers, and 19 AK's—a warehouse, 10 barracks, seven motorboats, a set of radio-communication ICOM's, a district office building, three commune office buildings, two battalion positions, and an A-3 position. We seized 45 guns, including a machine gun, an RPM gun, four B-40 rocket launchers, four B-41 rocket launchers, a pistol, 25 AK's, nine SKS's, and some ammunition and medicines. We freed 210 puppet officials and 172 villagers from the Vietnamese enemies and puppets' prison.

The sweeping attack against the township of Prek Prasap District and all the villages and communes on the upper and lower banks of the Prek Prasap river completely removed the roof from the house of puppet Hun Sen's regime.

Laos

Article 31 of Lecture on Draft Constitution

BK2606143390 Vientiane Domestic Service in Lao 0030 GMT 18 Jun 90

[Radio lecture on draft constitution given on 18 June by Chaleun Yiapaoheu, alternate member of the Lao People's Revolutionary Party Central Committee, standing member of the Supreme People's Assembly, and standing member of the Constitution Drafting Committee—recorded]

[Summary] Today, I will explain Chapter 4 of the draft constitution. This chapter deals with the Supreme People's Assembly [SPA]. It, as well as Chapters 5 through 8, comprehensively outlines the principles on organizations and activities of the state apparatuses of the Lao People's Democratic Republic. "Our state apparatuses comprise the SPA, the Presidential Council, the Council of Ministers, the local people's councils, the local administrative committees, the people's courts, and the people's judiciary institutes." In our country, the state apparatus system is established in accordance with the principle of unified power, with the SPA representing the supreme state organizations and the people throughout the country.

"Now I would like to present Chapter 4 on the SPA. This chapter consists altogether of 12 articles, which give provisions on the position, roles, status, rights, and duties of the SPA, the SPA Standing Committee, and chairman and members of the SPA.

"Article 31 in this chapter stipulates as follows: The SPA is the highest representative organ of the Lao people and the supreme body of the state power in charge of law enactments and controlling every movement of the state and society." This is considered a very significant article, because it defines the roles, responsibilities, and position of the SPA. "The SPA maintains three major roles and responsibilities. First, it plays the roles and responsibilities as the highest representative organization of the people throughout the country; second, as the supreme state power organization in charge of legislative work; and third, as the supreme state control organization in charge of controlling all activities of the state and society."

You listeners may ask why the SPA is called the highest representative organization of the Lao people. The answer is that the SPA comes from the people, who exercise their rights to vote in elections to elect their representatives to the SPA. The SPA therefore serves the requirements of the people through the representatives. This means that the people's representatives will collect information on the people's requirements and report them to the SPA for consideration, and in return, publicize the line and policies of the party and state as well as regulations and laws of the state and resolutions of the SPA to the people and guide the people to implement them.

Second, the reasons the SPA is called the supreme state power organization in charge of legislative work are as follows:

1. "The SPA maintains the right to endorse the constitution and laws. No other organization maintains this right." The Council of Ministers and various ministries maintain only rights to put forth proposals.
2. "The SPA maintains the right to elect or remove the president of the republic, chairman of the Council of Ministers, chairman of the Supreme Court, and chief public prosecutors, and the right to establish new ministries or provinces."

Third, the SPA is considered the supreme state control organization in charge of controlling all activities of the state and society because "it is the SPA that appoints, elects, and sets up various state power organizations and enacts the constitution." The SPA fully maintains rights to control and follow up activities of the state and society, meaning activities of all organizations—such as the Council of Ministers, the people's courts, and the judiciary institutes—to see whether those organizations correctly carry out activities in accordance with the constitution.

The roles and responsibilities of the SPA in this regard are different from those of the party and state control organizations and chief public prosecutors. "Party control means control of the implementation of the party's line. State control means control of the implementation of state plans and the fulfillment of expected targets of the state in various ministries and departments. The control by public prosecutors means only control of the respect for the constitution and laws." As for the SPA, it comprehensively inspects various resolutions, regulations, plans, and decrees as well as all activities of the Council of Ministers, all ministries, the people's courts, and the judiciary institutes to see whether they are in conformity with the constitution and laws. These are the differences in the limits of their roles and responsibilities.

This explains Article 31, which outlines the general roles and responsibilities of the SPA.

Sali Vongkhamsao on Balance of State Budget

BK2306100090 Vientiane KPL in English 0914 GMT 23 Jun 90

[Text] Vientiane, June 23 (KPL)—The state budget holds the central position and the most important role in the national financial sytem, resulting in the unification and distribution to an extent of the national revenue by different services and economic sectors in the entire country. This is therefore beneficial to the promotion of socioeconomic infrastructure development as adopted by the party and state, said Sali Vongkhamsao, vice chairman of the Council of Ministers, minister of economy, planning and finance, in his report presented to the first nationwide conference on finance held here on June 20.

On the balance of payment of the national budget, the minister attributed a low rate of revenue from the financial mobilization, which covers only 13 per cent of the national revenue, to the following factors: the remaining very low growth rate of the national economy, the poor labour productivity, and the low efficiency of business production, a small proportion of goods in the gross domestic products, and a little mobilization of the national revenue into the state budget. Compared with other countries, the rate must be above 20 per cent at a minimum. That is why, he said, the state budget revenue domestically covers on average of only 44 per cent of the total budget revenue, whereas the revenue from foreign aid and loans covers 51 per cent on average.

As far as the state budget expanditure is concerned, Sali Vongkhamsao said that from 1976 to 1989 it accounted for 279.4 billion kip and that the expenditure on the infrastructural construction alone covered 53 per cent of the total budget expenditure.

On the revenue, he indicated that if capable of applying all the financial measures, the state would have both an increase in capital and a reduction in budget cash shortage, thereby stabilizing the prices on the market. Stressing further on the spending, the minister noted that over the years the subsidised mechanism has compelled the state to pay debts for enterprises and the central administration to pay debts for the localities.

So, he added, the increasingly heavy expenditure will remain the burden of the state budget unless a new management mechanism is introduced.

Acting Information Minister on Cambodian Ties

BK2106111690 Vientiane KPL in English 0932 GMT 21 Jun 90

[Text] Vientiane, June 21 (KPL)—Mr. Son Khamvanvongsa, acting minister of information and culture and president of the Laos-Cambodia Friendship Association, recently granted here an interview to a Cambodian journalist.

When he was asked to speak of the present state of the Lao-Cambodia ties, Mr. Son Khamvanvongsa said that the two countries and peoples at all times maintained good multi-sided cooperation and assistance on the basis of fraternity and comradeship, respect of independence and sovereignty, equity and mutual benefit. Particularly in this new period, the Lao-Cambodian relations have been fostered and strengthened.

Concerning the Tokyo meeting on June 4, 1990 between a delegation of the State of Cambodia led by Hun Sen and a delegation of the Democratic Kampuchea led by Prince Norodom Sihanouk, president of the Laos-Cambodia Friendship Association expressed support to the agreement reached by Hun Sen and Prince Norodom Sihanouk on June 4, 1990. He also praised the good-will of the State of Cambodia in a hope to bring peace and national reconciliation back to Cambodia and to bring the country out of the prolonged war. Regrettably, the Khmer Rouge boycotted the meeting and refused to acknowledge the result of the agreement between Hun Sen and Sihanouk in Tokyo. The Khmer Rouge's act opposed and undermined the efforts for peace and national reconciliation in Cambodia and ran counter to the ardent aspiration of the Cambodian people and the world to put an end to the prolonged bloodshed among the Cambodians.

Mr. Son Khamvanvongsa further noted that such a manifestation of the Khmer Rouge might spring from the thought that the prolonged conflict may place them at an advantageous position. Since the withdrawal of Vietnamese volunteer troops from Cambodia one year ago the Khmer Rouge and their allies could not have the upper hand at battles. On the other hand the government of the State of Cambodia still had support and developed, with regard to military, economy and diplomacy. Hun Sen, prime minister of the State of Cambodia, have been received in Indonesia, France, Thailand and Japan as head of state.

North Korean Workers Party Delegation Visits

Meets Phoun Sipaseut

BK2206111690 Vientiane KPL in English 0921 GMT 22 Jun 90

[Text] Vientiane, June 22 (KPL)—Mr. Phoun Sipaseut, Politburo member of the Lao People's Revolutionary Party Central Committee, vice chairman of the Council of Ministers, and minister for foreign affairs of the Lao People's Democratic Republic, received here on June 20 a delegation of the Foreign Relations Board of the Workers Party of Korea Central Committee headed by its deputy head Mr. Kim Yang-kon.

The host and guests highly valued the development of the friendship and cooperation betwen the two parties and peoples of Laos and the Democratic People's Republic of Korea.

They also exchanged experiences in the democratic consolidation, party building, and others.

The Korean delegation left here for home in the same afternoon ending its working visit to Laos for over one week.

While here, the Korean delegation held a meeting with a delegation the Lao PRP CC [People's Revolutionary Party Central Committee], paid courtesy visits to Mr. Kaysone Phomvihan, LPRP CC [Lao People's Revolutionary Party Central Committee] general secretary and chairman of the Council of Ministers of the Lao PDR [People's Democratic Replublic], Mr. Phoun Sipaseut, minister of foreign affairs, and met with other high-ranking officials. The delegation also toured the northern Luang Prabang Province, a renowned touristic place in Laos.

Signs Exchange Agreement

BK2206112090 Vientiane KPL in English 0919 GMT 22 Jun 90

[Text] Vientiane, June 22 (KPL)—A Lao-Korean agreement on visit exchanges for 1990-1991 was concluded here yesterday.

Signing the agreement were Soulivong Phasitthidet, deputy head of the Foreign Relations Board of the Lao People's Revolutionary Party CC [Central Committee], and Kim Yang-kon, deputy head of the Foreign Relations Board of the Workers Party of Korea CC.

This agreement aims to develop solidarity and friendship between the two boards through regular exchanges of visits and experiences between the two countries.

Phoun Sipaseut Greets Albanian Counterpart

BK2006131490 Vientiane KPL in English 0911 GMT 20 Jun 90

[Text] Vientiane, June 20 (KPL)—Phoun Sipaseut, vice chairman of the Council of Ministers and minister for foreign affairs, has sent on June 18 message of congratulations to Reiz Malile, minister of foreign affairs of the People's Socialist Republic of Albania, on the occasion of the 15th anniversary of the establishment of the diplomatic relations between the Lao People's Democratic Republic and the People's Socialist Republic of Albania.

Having conveyed best wishes to the Albanian leaders and people, the message described the establishment of diplomatic relations between the two countries as an important event in the history of relationship between the two countries in the struggle for peace, independence, democracy, and progress of mankind.

The message wrote, "I am satisfied with the development of the close solidarity and friendship between Laos and Albania during the past 15 years". It also wished for further strengthening and promotion of the friendship and solidarity between the two peoples.

Vice Mayor Meets Japanese Technical Team

BK2606115090 Vientiane KPL in English 0923 GMT 26 Jun 90

[Text] Vientiane, June 26 (KPL)—Dr. Siho Bannavong, vice mayor of Vientiane prefecture, received here on June 25 a Japanese technical team headed by Mr. Kimis Chiya. [name as received]

The Japanese technical team is making a feasibility survey for the construction of a bridge spanning across Nam Ngum River at Tha Ngon, Saithani District, 20 km northeast of Vientiane prefecture.

The Japanese expert informed the vice-mayor of the plan for the survey to last one year.

Lao, Thai Provinces To Tackle Border Crimes

BK2306101890 Vientiane KPL in English 0923 GMT 23 Jun 90

[Text] Vientiane, June 23 (KPL)—The southernmost Champassak Province of Laos and the Ubon Ratchathani Province of Thailand on June 20 agreed to cooperate in suppressing border crimes and secure peace along the common border between the two provinces.

The agreement was signed by Mr. Sounthon Thep-asa, governor of Champassak and Mr. Saisit Phonkeo, governor of Ubon Ratchathani who made a visit to Champassak on June 19-20, 1990.

This effort was aimed at avoiding undesirable events which might affect the the time-honored friendship between the people of the two countries.

The governors of the Lao and Thai provinces along the common border between the two countries held a meeting in Nakhon Phanom Province of Thailand on May 25-26.

Agreement With UNDP on Civil Aviation Project

BK2306104790 Vientiane KPL in English 0920 GMT 23 Jun 90

[Text] Vientiane, June 23 (KPL)—An agreement on the project for the development of the Lao civil aviation was signed here on June 21 between Laos and the United Nations Development Program (UNDP).

The assistance that the UNDP will render to Laos includes the improvement of the management of civil aviation, training of personnel in air traffic, applied communication and repair, improvement of a long-term plan from 1990 till 2000, as well as the preparation for the investment in improving air communication to enable Vientiane to become an air traffic control center for the region and improve Vientiane airport to become an international airport.

The agreement stipulates the UNDP's contribution amounts to 596,204 U.S. dollars and the Lao government's 50,018,120 kip.

The signatories to the agreement were Mr. Mali-gna Sai-gnavong, director of the Foreign Organization Department of the Lao Ministry for Foreign Affairs and Ms. Carrol Long, UNDP representative in Laos.

Philippines

Reportage on Dispute Over Kabisig Funding

LDP Disputes Funding

HK2606040190 Manila BUSINESS WORLD in English 26 Jun 90 p 10

[By Ricardo P. Puig]

[Text] The ruling Laban ng Demokratikong Pilipino (LDP) [Struggle of Philippine Democrats] is apparently rolling up its sleeves in preparation for an inevitable clash with Kabisig [Partnership], the political movement recently launched by President Aquino.

LDP spokesman Rep. Hernando Perez of Batangas yesterday revealed a plan to embark on a legislative study with an end-view of determining the legality of Kabisig's move to channel public funds through non-governmental organizations (NGOs) for the implementation of various Government developmental projects.

"(In pursuing their projects), NGOs may avail of funds offered through the various Government programs. But I am not aware of any law providing that public funds—including those for public works, health and environmental and natural resources development—can be entrusted to NGOs...and neither are there laws allowing for the disbursement of public funds to NGOs," Mr. Perez argued. He added that present laws allow only for the disbursement of all funds to the National Government as per congressional appropriations. The setup proposed by Kabisig, opined the Batangas solon, is legally doubtful as unauthorized and non-elected officials who are not subject to public audit will have custody of such public funds.

Technicality

"As local government officials, including those in the barangay level, are excluded in the process, this scheme by the Kabisig may constitute a case of technical malversation," the solon said, adding that the Executive department "should better be cautious (about the scheme)."

To clarify the issue, Mr. Perez said the party will immediately seek the opinion of the Commission on Audit (COA). "To this end, a letter has been sent to the COA chairman," he said. If the COA rules that the scheme is indeed illegal, Mr Perez warned Congress "will go after those responsible for its implementation."

Noble Objectives

The LDP spokesman, however, agreed that Kabisig's objectives are noble.

"We are also for a fast-track implementation of development projects," he said, "but such an objective should be carried out through sound and legal means." Otherwise, he added, the President who heads the movement "will be placed in jeopardy and we do not want that to happen."

Furthermore, Mr. Perez also cast doubts on the credibility of NGO. "Many of these entities are now headed by people defeated in earlier political contests." He warned that they (NGOs officials) may be soliciting endorsements from the President and thus "are taking advantage of events by participating in the movement's projects."

Mr. Perez also foresaw that public funds "may be used by these same people in their preparation for the next elections." In case there will be abuses in the use of such funds, Mr. Perez also warned that such will be taken against the entire Administration, "including us—the elected officials."

House Speaker Ramon Mitra Jr. yesterday hinted that President Aquino's decision to form Kabisig may be based on the wrong premises. "The Executive cannot claim that we obstructed their programs by not working on Malacanang-certified bills. We have passed just about all measures it deemed urgent...but we cannot bow down to requests which may bring more difficulties to the populace," the Speaker argued as he boasted that the present Congress "has followed its agenda to the letter and can be considered the most productive yet compared to the previous ones."

Mr. Mitra added that Government's failures can be traced to poor and ineffective implementation of laws. He identified such legislations as the Kalakalan ng 20, the Cooperative Law and the Countryside Business Enterprises Law, "whose implementations are barely moving." Much of the country's economic problems, Mr. Mitra argued, can thus be traced to ineffective policies.

Rep. Hernando Perez of Batangas echoed the same sentiments, even as he reiterated that President Aquino "may have been ill-advised in forming Kabisig...even if we wish to support her, we are prevented by her cordon sanitaire."

Cordon Sanitaire

Such people, Mr. Perez added, "claim that they are the only ones with wisdom." He went on to identify the cordon sanitaire to include Executive Secretary Catalino Macaraig, Health Secretary Alfredo Bengzon, Presidential Financial Adviser Vicente Jayme, and Presidential Chief-of-Staff Mario Taguiwalo. Transportation and Communications Secretary Oscar Orbos "was invited only to 'deodorize' the movement...But we heard that he's now out of the group," Mr. Perez claimed.

As regards possible sanctions on Laban ng Demokratikong Pilipino members joining Kabisig, Mr. Perez said, "There are none." But he cautioned them not to be "used for the selfish ambitions of Kabisig schemers."

A well-placed party insider disclosed that the Executive department "May be in for the worst of times." The source said the Executive "may see more than just 'equally strong' statements as a retaliatory ploy" from Congress as a whole. "It (the Executive) will definitely pass the 'needle's eye' during forthcoming hearings of the various oversight committees when the different government agencies seek budgetary appropriations," the source said.

The Opposition will give President Aquino free rein in implementing Kabisig and effect a more efficient delivery of basic services for "as long as she does not spend public funds for Kabisig-backed projects to enhance her image for reelection." Former Sen. Rene Espina, a central committee member of the Nacionalista Party, made this statement at yesterday's kapihan sa Maynila [Manila Coffeeshop] forum at at the Manila Hotel. However, Mr. Espina warned that should the President decide to run in the coming elections, "she will not win. Therefore, if Kabisig is going to be the election tool that many perceive it to be, it will be inutile."

Opposition leader Wilson Gamboa expects Kabisig to evolve into a pressure group and will flex its arms against the political system and the bureaucracy.

While the Kabisig proponent Gov. Roberto Pagdanganan of Bulacan outrightly denied that Kabisig "in any way pressures anybody," Assistant Press Secretary Lourdes Siytangco averred: "Anong Masama kung Maging pressure group ang Kabisig kung para naman sa kapakana ng bayan (What is wrong with Kabisig becoming a pressure group if it has the welfare of the nation in mind?)," even as she noted that "our electoral process is a pressure group."

Aquino Clarifies Funding

HK2606094190 Manila Radio Veritas in Tagalog 0800 GMT 26 Jun 90

[Press statement by President Corazon Aquino, read by Press Under Secretary Lourdes Siytangco from Malacanang Palace—live or recorded; in English]

[Text] The Kabisig [Partnership] will follow the requirements of the law in the use of public funds. The role of the NGOs [nongovernmental organizations] will be to assist in the speedy implementation of specific projects. The projects, not the NGOs, will be funded in accordance with the approved appropriations.

I shall be meeting with Speaker Mitra and other political leaders who wish clarification on Kabisig.

I have directed that the investigation of alleged anomalies and related issues in PAL [Philippine Airlines] be conducted in a speedy manner, with all parties being afforded opportunities to present their sides. Far from being damaging to PAL, such a process will enhance its image as part of our effort to ensure that government-owned and controlled corporations, particularly those to be privatized, are always aboveboard.

I gave an update on the PAL privatization in answer to one of your questions on June 19 as follows:

The privatization of Philippine Airlines is actively being pursued. Phase two of the PAL privatization has been awarded to BPI [Bank of Philippines Islands]-Morgan. This principally involves studies on the block investors. At the same time, PAL has ongoing discussions with different government agencies on its debt reduction program.

Cabinet Secretary on Funding

HK2606114390 Manila Radio Veritas in Tagalog 0800 GMT 26 Jun 90

[By Gabby Salcedo from Malacanang Palace]

[Text] A top official of the Aquino administration strongly refuted allegations of the existence of a cordon sanitaire or shadowy group behind the Kabisig [Partnership] movement. In an interview with Radio Veritas, Cabinet Secretary Ping de Jesus, one of the eight officials cited by the Struggle of Philippine Democrats as being responsible for the launching of the movement, denied the existence of a shadowy group.

According to De Jesus, he expects all misunderstandings to be cleared up once the president and supporters of Kabisig meet with legislators and answer their questions about the movement.

Secretary De Jesus also clarified that funds alloted to the movement may come under the review of the Commission on Audit. He added that they were prepared to face the public to explain the details and objectives of the Kabisig movement.

Here is an excerpt of the interview with Secretary De Jesus:

[Begin recording in English] [De Jesus in progress] ...was called by the president to discuss this idea in its initial stage.

[Reporter] [passage indistinct]
[De Jesus] Well, there was really no definite, no such thing because Secretary Orbos was doing a very good job, as the president said, at the Department of Transportation and Communications and it is not possible to take him out of that.

[Reporter] [passage indistinct]
[De Jesus] There are people who say things in the paper without really fully knowing the meaning or what Kabisig is all about. Then, as you know, this thing gets distorted, and that is why, as I said, once everything is clarified, all of these misunderstandings will disappear.

[Reporter] Aside from Orbos and Pagdanganan, would you be willing to go public in explaining the objectives of Kabisig?
[De Jesus] We will be going public in time.

[Reporter] [passage indistinct]
[De Jesus] The president has not decided the date yet.

[Reporter] Some time this week?
[De Jesus] Maybe within the week or early next week.

[Reporter] [passage indistinct]
[De Jesus] As I said, there is no disbursement of funds for Kabisig per se. We will implement projects the Kabisig way. And these projects have funds already approved under the budget and there is nothing irregular about that.

[Reporter] There is nothing irregular in the projects...?
[De Jesus] That is why the president explained what Kabisig means. It means we fast-track the projects. We involve not only the national government and the local government but also private groups, especially organized groups, NGOs among them. And then, she said: I want it simple and I want the priority programs and projects, those that cater to the needs of the poor, to be given priority.

[Reporter] [passage indistinct]
[De Jesus] I am sure that these are some of the things that will come out there.

[Reporter] Sir, what are the major points that will be discussed?
[De Jesus] The nature of Kabisig and what its aims are. And I think they will find that there is nothing sinister about the intentions of Kabisig.

[Reporter] [passage indistinct]
[De Jesus] Well, actually, the president has not had any real opportunity to fully explain it to them, but I think that once the president talks to them and explains this movement to them, they will see that there is nothing to fear.

[Reporter] Did the president give an order to line agencies to submit their projects by Monday, yesterday? Have they submitted already?
[De Jesus] Yes, well, she has outlined four: one in health, one in infrastructure, one in environment, and one in agriculture. These are the priority programs that she has indicated, and on Wednesday we will be discussing all of these, how these are being operationalized the Kabisig way. [end recording]

That was Cabinet Secretary Jose Ping de Jesus explaining that there is no truth to reports of a shadowy group plotting its own moves behind the Kabisig movement.

Editorial Views Mitra's Reaction to Kabisig

HK2706030990 Manila THE MANILA CHRONICLE in English 27 Jun 90 p 4

[Editorial: "LDP (Struggle of Philippine Democrats) dinosaurs fear extinction"]

[Text] Speaker Ramon Mitra's reaction to Kabisig [Partnership] is typical of a dinosaur which finds itself on the edge of extinction. In a predictable performance as the quintessential traditional politician, Mitra blasted away at President Aquino's latest initiative upon his return from the United States, saying it was "unnecessary" to create a "super NGO [nongovernment organization]." Then he proceeded to ascribe to the creators of the new movement all the evil motives he could conjure.

Speaker Mitra seems not to understand what Kabisig is all about. All he sees is a threat to him and his fellow traditional politicians who felt alluded to when the President presented it to the people as, among other things, her answer to an obstructionist legislature.

When President Aquino announced the launching of Kabisig in her Independence Day speech, she made it clear that the movement was meant to hasten development projects and the delivery of basic services to the people. And she intends to do that by enlisting the active support of anyone who feels that he or his organization has something positive to contribute to these undertakings. This includes local leaders who have the vision and the will to serve their constituencies.

But she also made it clear that she was prepared to bypass the routes controlled by the practitioners of the politics of patronage, and go directly to the people for assistance. She has therefore reached out to people's organizations and non-government organizations, praising their silent and effective grassroots mobilization for development.

Speaker Mitra, however, reads in the President's pronouncements not a movement meant to accelerate development, but a malevolent force propelled by ghosts and other "shadowy" inhabitants of the Guest House.

He has charged the President with virtual abdication of the government's main responsibility of delivering basic services to the people. What he does not see is what many people now acknowledge, that such responsibilities are best carried out with the active support and participation of the people.

The NGOs are not meant to replace the bureaucracy. They are being tapped as parallel channels, in addition to the bureaucracy and local governments, to deliver services to the grassroots.

He has lashed out at "unelected" officials in the Cabinet whom he suspects of having a hidden agenda behind Kabisig. What he does not see is the President and her Cabinet just want to see government work, even if it means bypassing the Legislature through a people's movement.

By speaking out against Kabisig, the Speaker has voiced the fear tugging at the hearts of all traditional politicians who see in the movement only the seeds of their own extinction. However, instead of examining their consciences and trying to understand why an idea like Kabisig has caught fire, the politicians have aimed their guns on the non-politicians who thought up Kabisig.

The traditional politicians' greatest fear lies in the fact that the Kabisig movers, some of whom are identified with the social democrats, are populist, active reformists, who are unwavering in their belief in the genuine empowerment of the masses. These elements are the exact opposite of the traditional politicians who thrive on the people's helplessness, the better to make them their patron and source of all largesse.

Mitra and his LDP have begun their assault on Kabisig by raising the question of a possible "technical malversation" of funds channelled to development projects through NGOs. They have also threatened to use the budget as a means of blackmailing the Executive into revising its concept of Kabisig to include the politics of patronage.

Obstructionism angers the people who are impatient with the slow flow of services.

In their panic reaction Speaker Mitra and his LDP are like dinosaurs fighting a losing battle against the possible extinction of their brand of politics.

Enrile Ready for 1992 Polls Without Cojuangco

HK2606093190 Manila Manila Broadcasting Company DZRH in Tagalog 0700 GMT 26 Jun 90

[Text] Opposition Senator Juan Ponce Enrile assured that he was ready to face President Aquino in the presidential elections even if former Ambassador Eduardo Danding Cojuangco Jr. does not join the Nationalist Party.

In an interview with DZRH News, Enrile dismissed any constitutional provision which bars President Aquino from running for reelection in 1992, saying that the Nationalist Party was prepared to face any administration candidate.

When asked if he was going to invite Danding Cojuangco to join the Nationalist Party, the opposition senator had this to say:

[Begin Enrile recording in English] We are not looking for partners. We are sufficient on ourselves. And if they want to come, they can come. [passage indistinct] [end recording]

Earlier, Danding Cojuangco hinted that he may run in the 1992 presidential elections. It was also reported that Vice President Salvador H. Laurel, president of the opposition party, had met with Cojuangco to discuss the merger of the opposition parties. However, according to Enrile, the Nationalist Party and other opposition parties are united and there is no danger of factionalism among them, unlike the case of the political parties under President Aquino.

'Peace-and-Order' Councils Receive Funds

HK2606095390 Quezon City Radyo ng Bayan in Tagalog 0900 GMT 26 Jun 90

[Text] The government has released 12 million pesos as operational expenses of the peace-and-order councils all over the country. The report came from Local Governments Secretary Luis Santos, who said that the fund will be used to help fund the administrative expenses of peace-and-order councils in regions, provinces, towns, and municipalities. Reports also said that part of the fund will be allotted to the regional offices of the Department of Local Governments.

Study Lists Six Scenarios on Political Outlook

HK2706032190 Manila BUSINESS WORLD in English 27 Jun 90 p 2

[By reporter Noel G. Reyes]

[Text] In the past few months, political factors have become a major determinant in the stock market. Some securities analysts even go as far to say that political developments now determine economic fundamentals.

To apprise foreign investors on the likely developments in Philippine politics as may affect stock prices, First Pacific Securities recently circulated abroad its study on the "Philippines' Political Outlook."

Prepared by analyst Conrad Andres, the study lists six alternative scenarios "in the run-up to the 1992 elections."

He said "an uneasy peace will continue to prevail in the Philippines for some time to come."

No Change This Year

But since the Aquino Government will wield its emergency powers to check all threats, "a change in government in 1990 is unlikely," he assured foreign clients.

Scenario one, a "constitutional" coup, is considered to have the best chances. This is where the Aquino-Defense Sec. Fidel Ramos group consolidates its hold on government, with Congress likely to extend the President's emergency powers to the end of the year, "to the exclusion of its other allies (i.e., the Liberal Party and a section of PDP-Laban [Pilipino Democratic Party-Nation's Strength]." The constitutional coup's aim "to to centralize political and economic power to cope with security threats and ensure Mrs. Aquino's tenure," Mr. Andres said.

The launching of the Kabisig movement is a step toward hastening the implementation of government programs before the 1992 elections, he added.

Martial Law Unlikely

A Marcos-style martial law will not be permitted: aside from legal constraints and the public's probable objections, it would also put the military, headed by Mr. Ramos and AFP [Armed Forces of the Philippines] chief Renato de Villa, in command.

To counterbalance, a "Yellow Army" is being maintained and Maj. Gen. [Major General] Rodolfo Biazon is being cultivated as a counterforce, according to the study.

Also under this scenario, Mrs. Aquino is expected to announce a Cabinet reshuffle during her State of the Nation address at the opening session of Congress next month.

"There is every likelihood of a further consolidation of power by Aquino, which will enable her to serve her term until 1992, but the causes of disaffection will remain, swept under the rug."

The most immediate threat, the study said, is the "chain-of-command coup" (scenario two) involving Mr. Ramos and Gen. De Villa. "This is the only group capable of mounting and succeeding in a bid for power," Mr. Andres pointed out.

Conditions

"This form of coup can prosper under conditions where mass discontent and civil unrest are spreading, the political leadership at the highest level is hedging, and other political forces are poised to strike for power too." Its occurrence was minimized by the termination notice of the U.S. bases treaty and the notice's popular acceptance.

Although the business community views any military coup as a disrupting and damaging factor, in late 1987 after the August coup attempt, Malacanang exposed a secret plan of some prominent businessmen to instigate the formation of a caretaker government made up of technocrats.

Private Sector Coup

Under scenario three, a "Private sector coup," participants "will demand or force the removal of Mrs. Aquino and her entire Cabinet by lobbying or by various pressure tactics and, if need be, tie up with and pre-empt the military chain-of-command in bringing about a change in government." Some prominent businessmen "are rumored to be keen on the idea of initiating one to rid the government of ineptitude, red tape and corruption," said Mr. Andres.

On the "RAM-SFP (Reform the Armed Forces Movement-Soldiers of the Filipino People) coup" scenario, the RAM cabal "cannot as yet be considered a spent force" despite three failed coup attempts. But given its present plight, "its members are constrained from making another attempt this year and will instead concentrate on a media blitz to drum up public support."

More Bark Than Bite

It will do more barking than biting in the short term, he said. For now, it is trying to form a tactical alliance with the Moro National Liberation Front to free large numbers of RAM soldiers that have been redeployed to Mindanao. It will also be looking at the "flashpoints" of 1991—decision year on the U.S. bases and the run-up to the 1992 election—"to launch its offensive before the final confrontation." Thus, by early 1991, "we should know whether RAM is a force to be reckoned with." Mr. Andres, however, said that "the Marcoses are politically dead" in his "Marcos Loyalists' Last Hurrah" scenario.

Imelda is facing protracted courtroom battles, while Ferdinand Jr. in exile is awaiting a political calling that may never come.

Eduardo "Danding" Cojuangco, a former Marcos crony, will be carrying on the fight in the parliamentary arena, but "this year and next will still see a gun-shy Danding and a tamer Marcos loyalist following."

Weak Reds

Lastly, in the "Revolutionary Left Offensive" scenario, Mr. Andres sees that the communists are "in no position to mount a broad offensive to seize political power." Their numbers have shrunk by as much as a fifth this year, he pointed out. However, the communists' actions could "prompt violent reactions" from other factions.

"For one, Mrs. Aquino will have greater use and justification for her emergency powers," he noted. "For another, coup plotters, either from within the military (chain-of-command or renegade ranks) or in business, can take any ensuring opportune moment to strike. In any eventuality, U.S. direct involvement becomes a distinct possibility.

"And in all these, polarization in the country assumes a new dimension; political risks become rife and even forbidding (for investors)."

Sison Comments on Possibility of Rebel Alliance

HK2606131990 Manila DIYARYO FILIPINO in Tagalog 20 Jun 90 pp 1, 5

[By F. Taboy and C. Ramas]

[Text] Jose Maria Sison, chairman of the Communist Party of the Philippines [CPP], announced yesterday that the communist rebels were prepared to welcome the group of former Lieutenant Colonel Gregorio "Gringo" Honasan if they can prove their loyalty to national independence.

Speaking in an interview with the radio station DZMM from the Netherlands, Sison said his movement is open to all groups which would like to join in fighting the present administration. He explained that it was possible for the CPP to form an alliance with the Reform the Armed Forces Movement-Soldiers of the Filipino People [RAM-SFP] and become a rebel force if the rebel soldiers would adhere to the CPP's objective of total independence of the country. "Is Gringo (Honasan) prepared to fight for freedom? If so, he may join us," Sison said. "We are prepared to make contacts with any group and work together for the good of the people."

He also said that the New People's Army (NPA) was gaining strength as it now operates in 63 percent of the entire country.

When asked by radio journalist Noli de Castro on reports that the NPA has had to resort to terrorism because of its setbacks in the countryside, he replied that the situation was caused by "the expansion of the revolutionary movement and its proliferation into the urban areas." He denied that the NPA had been forced to withdraw from the mountains and the countryside and had resorted to assassination missions in the urban areas. The attacks are allegedly part of the expansion of CPP-NPA operations brought about by the growth of their movement.

He also affirmed the announcement by North Korea that it does not support the NPA in view of accusations by the Armed Forces of the Philippines [AFP] which claimed that that country was an arms supplier of the communist rebels. "North Korea does not provide aid to the NPA. The truth is: It is the United States which helps the revolutionary forces in the Philippines," said Sison. He added that the arms of the NPA come from the Pentagon, which are obtained from attacks of the AFP.

The CPP leader did not mention his status in the Netherlands, but he criticized the issuance of "lies" by Malacanang about reports that he was about to be expelled by the Netherlands Government and that he was seeking assistance from Pyongyang. He explained that the announcement of Malacanang, based on the AFP report, was part of "Operation Plan Jericho," which was formulated by 26 American experts and intended to destroy the leadership of the CPP. "Those are all lies," Sison said. "Where is their evidence? The Aquino government should just keep quiet."

"There were reports that Jon Jon Bustamante has married a Netherlands woman in order to become a citizen here. The truth is that his application for political asylum has been approved," he added. "Even Julie and I were said to have separated. All these are fabrications of the military."

He further said that many sectors in the Netherlands are presently working to ensure that all CPP leaders will be granted political asylum in that country. "They also support my application," added Sison, who is suspected by the AFP to be the current chairman of the CPP Central Committee and who goes by the alias of "Amado Guerrero."

He said that the AFP could no longer keep track of the present strength of the revolutionary movement in the country.

Sison also said that the division within the current government, especially within the military, was a good thing for his movement. He noted that numerous attacks against the military were in fact carried out by fellow military men who are in the payroll of landowners and puppets of the United States.

Rebel Says Japanese Aid Worker 'in Good Health'

HK2606111990 Hong Kong AFP in English 1059 GMT 26 Jun 90

[Text] Murcia, Philippines, June 26 (AFP)—A Japanese aid worker kidnapped by the New People's Army (NPA) was in good health almost a month after his abduction, a communist guerilla said Tuesday.

Fumio Mizuno, 36, an agricultural expert teaching silkworm culture to local farmers, was abducted on May 29 by communist New People's Army (NPA) guerrillas at Murcia, in the central island of Negros.

"Mizuno is safe and in good health. He has not been overly restricted in his movements," an NPA guerrilla, who asked to be identified only as "Comrade Kim," told an AGENCE FRANCE-PRESSE correspondent here. The insurgent said Mr. Mizuno was even allowed to play basketball with his captors.

The rebel said Mr. Mizuno's abductors had planned to kidnap him from his Murcia home merely for ransom, after which he was to be returned safely. But he said they were forced to keep him after the military launched pursuit operations.

The guerrilla did not say why they continued to hold Mr. Mizuno.

Government officials have been trying to establish contacts with Mr. Mizuno's abductors to negotiate for his release.

Problems Hampering Anti-Insurgency Drive Outlined

HK2606034190 Manila PHILIPPINE DAILY INQUIRER in English 26 Jun 90 pp 1, 2

[By reporter Dario B. Agnote]

[Text] Local officials' inability to fully grasp the communist threat and their lack of participation in the counter-insurgency campaign have greatly hampered government efforts to defeat the 21-year guerilla war, top defense and military officials said yesterday.

The critical assessment was made during a seminar workshop on security and development at Camp Aguinaldo, participated in by top military commanders headed by Defense Secretary Fidel Ramos and General Renato de Villa, Armed Forces chief. The two-day seminar-workshop, which revolves around the military's anti-insurgency campaign dubbed Lambat-Bitag [Dragnet], was held behind closed doors.

Other problems presented by area commanders:
—Civilian authorities, powerful civilians and politicians are being utilized by leftist or cause-oriented organizations as vehicles for airing alleged human rights violations by the military;
—Weak counter-insurgency laws;
—Lack of legal assistance to tactical units. This exposes military personnel to harassment by NDF [National Democratic Front] front organizations;
—Lack of communication equipment and other materials for both mobile and territorial forces.

Brig. Gen. [Brigadier General] Lisandro Abadia, Armed Forces deputy chief of staff for operations said the top military and defense officials are agreed that Lambat-Bitag or the gradual constriction strategy has been bogged down by lack of coordination of local officials and their inability to fully grasp the insurgency problem.

Launched in 1987, Lambat-Bitag consists, of four phases in military operations; clearing, holding, consolidating and developing communist-infested areas.

"The main weakness is how to develop the area after the clearing the holding phases ... there is a problem of coordination," Abadia said.

Abadia said the military has been "successful" in all phases but development. "Our conclusion is that it's (Lambat-Bitag) working fine," he said. "The best gauge is the assessment of the enemy is still in a quandary on how to counteract this strategy."

Area commanders who attended the session presented at least five rebel-infested areas where the strategy is said to have worked: Davao, Zamboanga, Bataan, Samar and Leyte. But in Negros island, which the New People's Army (NPA) converted into a laboratory and training ground for new recruits in the 1980s, Lambat-Bitag is only "half successful," Abadia said.

"The enemy is trying to counter our strategy but until now they have not discovered a counter strategy," Abadia added.

Leading cadres of the Communist Party of the Philippines and its umbrella organization, the National Democratic Front (NDF), have acknowledged the effectiveness of Lambat-Bitag but doubted whether the government could sustain the developmental stage which they think is the most crucial among the four phases.

This prompted Ramos to mobilize the Armed Forces to support President Aquino's new political movement—Kabisig [Partnership]—in order to sustain the fourth and last stage of Lambat-Bitag.

In a directive to major service commanders, area commanders, and selected brigade commanders, Ramos said: "Avoid debate and discussion on the merits and demerits or the genesis of Kabisig but address the problems particularly of the so-called priority areas."

Despite the "few" setbacks in the counter-insurgency effort brought about by the aborted December putsch, Abadia said the military managed to reduce the number of guerilla fronts from 73 in 1985 to 56 last year.

"We shall achieve strategic victory by the end of 1991 or early 1992," he said. "By this time we have reduced the insurgency to manageable level."

Abadia said the military is confident it can minimize the insurgency problem by 1992, the deadline Mrs. Aquino gave the military to crush the insurgents.

Abadia said the aim of the seminar-workshop was to involve brigade level officers so "that they'll understand how to coordinate with the line agency."

Suspect in CPP Counterfeiting Case Arrested

HK2706030590 Manila PHILIPPINE DAILY GLOBE in English 27 Jun 90 p 6

[By staff writer Noemi Alcala]

[Text] The military has arrested a Makati-based businesswoman suspected to be part of the international counterfeiting operations of the Communist Party of the Philippines (CPP). Agents of the Intelligence Services of the AFP [Armed Forces of the Philippines] (ISAFP) arrested Edna Aquino in a suspected safehouse at the back of Makati Post Office along Gil Puyat Avenue last Monday afternoon. Aquino is suspected to be a liaison officer of the CPP International Affairs Department. According to reports, she was part of CCP leader Antoniio Cabardo's group.

Cabardo was arrested last April 9, minutes after disembarking from a commercial flight from Europe. Documents seized from Cabardo, allegedly a ranking member of the CPP's ruling central committee and vice commander of the military commission which supervises the New People's Army (NPA), exposed the communist underground's alleged criminal activities abroad.

The seized documents revealed the CPP's counterfeiting and laundering operations in Europe, particularly in

Switzerland. Some of the seized documents showed that the bank account of a certain Alexander Aquino and his wife was frozen after Swiss authorities determined that it was used to launder the bogus dollars.

Reports reaching the military indicated that the Aquino couple have resigned their CPP posts in protest over the CPP's alleged refusal to reimburse that part of the frozen money that was the personal savings of the Aquinos. The couple had reportedly moved to Austria to escape criminal prosecution, the report said.

It remains uncertain however, whether Edna Aquino is related to the Aquino couple mentioned in the intelligence reports.

After her arrest, Aquino asked for an audience with Makati Mayor Jejomar Binay. But the mayor reportedly advised her to submit to the military interrogation.

Column Examines Government's Economic Program

HK2606032790 Manila THE MANILA CHRONICLE in English 26 Jun 90 pp 1, 7

["Comment" column by Jose M. Galang Jr: "New Economic Program Shows Risk-Taking Gov't"]

[Text] There is an exciting dimension to the economic program being pushed by the Aquino Administration that has remained unappreciated owing to the noise generated by critics. It is the risk-taking that the government is indulging in, through a package of radical fiscal and trade policies that are being proposed in the program. It is a departure from the mainly trite, even ineffectual, strategies that governments followed in the past.

Some of the proposed tax measures could have been implemented in the early 1980s by the government of then president Marcos, to bail itself out of the economic mess at the time, but it could not muster the guts—nor count on enough credibility—to do that. The Marcos government would always insist that any revenue losses be raised from alternative tax schemes, including unfair ones. Thus, the Marcos government failed to act on widespread opposition to the gross receipts tax on bank lendings, which until now effectively helps keep domestic interest rates high. It also did increase tariff rates on imports, despite an overall slowdown in productive activities in the mid-1980s, that helped fuel inflation.

The previous governments have also failed to dismantle the protective cover that for many years was extended to certain local industries, making many of these prone to inefficiencies. Until now local industries cannot quite compete in the international markets.

The economic package proposed by Finance Secretary Jesus Estanislao probes into some adventurous approaches towards sustaining economic growth, which in recent months has started losing some steam owing to various factors (including perceptions of political instability). It does not only mean tax increases—in some cases existing taxes and tariffs are recommended for scrapping.

The program's central theme is obviously against the status quo. More Filipinos now feel their chances of improving their living standards are bleaker than before. Businesses are feeling the crunch of higher costs and, for some, shrinking markets.

With economic growth slowing down, a sense of unease is spreading and building up, the program's proponents have acknowledged. This needs to be reversed. The program strives to get the government to seize the initiative again, and stabilize the ship of state that threatens to go on an aimless drift.

In terms of social impact, the Estanislao program shifts the burden of taxation to the affluent. Those who can afford will no longer get unnecessary protection from government policies.

The focus of recent debate on the new program has been on the increased taxes on the so-called "sin products" (cigarettes, beer and alcoholic drinks). But that is only one component of the package.

Since the strategy is designed to strike at the roots of current economic problems, one of them the huge national budget deficit, it must address the need for more revenues. There are new impositions, such as the additional "sin taxes", accompanying a scheme to improve collection efficiency. The program also proposes to increase income tax rates on individuals with very high earnings. It also seeks an end to tax incentives granted to big business by the Board of Investments, which should force them to opt for more efficiency in their operations.

But it's not all tax increases. The program proposes the scrapping of such impositions as the gross receipts tax on bank lendings, the ad valorem tax on fuel products, and import tariffs on machineries and equipment to boost industrial capacity.

This is where the government is taking some risks. The lowering or scrapping of some taxes is aimed at lowering the costs of doing business here. The bias is therefore towards attracting more private investments that can lead overall economic growth, rather than government collecting more taxes that it can use for its development programs.

Suppose the investors do not come? Estanislao is confident that by rewriting the rules of doing business here (which anyway favor those who can already afford), the government could attract more entrepreneurs into productive undertakings. The proposed economic package has some provisions for that objective.

For instance, while the focus of criticism has been only the tax increases on "sin products", there is scant attention on the move to increase personal exemptions from income taxation. That effectively leaves more money in the pockets of the wage-earner, boosting his purchasing power. The move could boost consumption without the government having to spread money in the streets, usually via "pump-priming" programs. The Aquino government cannot possibly afford a pump-priming strategy now owing to its huge budget deficit.

The economic program aims to reduce the projected total public-sector budget deficit this year of about P55 billion [pesos] to around P30 billion (of which the National Government's share would rech P20 billion). It is still a considerable amount, but the reduction will ease the need for the government to turn to borrowings, through Treasury Bill issuances, which should allow more loanable funds to be tapped by the private sector.

Treasury Bills, aside from siphoning off funds that could otherwise go into the financing of private commercial undertakings, also influence bank lending rates. Also, investors would rather put their money in Treasury Bills, which are risk-free (they can be encashed any time and are guaranteed by the government no matter who is in power.)

During the financial crisis that accompanied the dying years of the Marcos administration, many investors put their funds in Treasury Bills instead of investing in business enterprises. That may happen again if the current squeeze on corporate profits is not eased.

Investments in Treasury Bills now yield profits of about 20-25% a year. Last year, the combined profits of the country's top 1000 corporations increased by 16%, lower than the previous year's 58%, and there are expectations that this profit decline could continue this year owing to higher operating costs.

If the government can succeed in luring back into the economy's mainstream these passive investments in Treasury Bills, then its new economic program may make a difference. it could be the start of major changes in the business and economic conditions here.

The next objective could then be how the government could drastically reduce the debt-service burden, part of which represents payments on some loans incurred under unfair terms.

Agriculture Export Income Declines in April

HK2206035090 Manila BUSINESS STAR in English 22 Jun 90 p 2

["Indicator" column by Rica D. Delfinado: "Agri Export Income 4.3% Lower in April"]

[Text] Foreign exchange revenues from the country's sale of its prime agricultural produce abroad dipped from year-ago levels last April due mainly to the weak export performance of three major export items, recent data from the National Statistics Office (NSO) show. As a result, the agricultural sector's contribution to the country's total merchandise export earnings for the same month shrank to just 18.5% from 20.5% during the same month last year.

According to the NSO, dollar inflow from overseas sales of prime agricultural products totaled $115.23 million in April, 4.3% or $5.11 million less than the $120.43 million raked in last year. The pull-down was provided mainly by sharp declines in the export income from shrimp and prawns, desiccated coconut and coffee. Specifically, foreign exchange receipts from shrimps and prawns dropped by 49.3% to only $13.96 million in April from last year's $27.55 million. This, the NSO said, was because of the stiff competition provided Philippine shrimps and prawns in the world market by exports of the same products from China, Thailand, Taiwan and Indonesia. The decline in export income from desiccated coconut was sharper at 55%, from $7.16 million in 1989 to $3.21 million this year. but this was still smaller than raw coffee export earnings, the total of which was set back 83.8% from $7.0 million in 1989 to $1.13 million this year.

Other agricultural products which performed dismally last April were: pineapple and pineapple products export earnings which shrank 22% from $12.15 million to $9.48 million; and, fresh bananas, down 14.7% from $15.19 million to $12.96 million.

Other agricultural exports, meanwhile, registered significant upticks in export rake-in during the period under review. Clearly, though, such upticks were not strong enough to arrest the aggregate decline. Sales of copra oil cake and meal surged by a hefty 174.7% to $3.67 million from last year's $1.34 million. Sugar, pulled up by healthy export prices, soared 85.7% to $28.48 million from last year's $15.34 million. The commodity accounted for 24% of total foreign receipts from agriculture during the period. Coconut oil, dispite stiff competition from alternatives like palm and corn oil, was able to gain a modest 17.6% increment in foreign sales, reaching $23.53 million in April from the year-ago level of $20.02 million.

Top Agricultural Export Products

April 1990/1989

(FOB Value in Million $)

	April	
Commodity	1989	1990
Tuna	9.38	10.15
Shrimp and prawns	27.55	13.96
Bananas	15.19	12.96
Desiccated Coconut	7.16	3.21
Pineapple/Products	12.15	9.48
Sugar	15.34	28.48
Molasses Inedible	2.51	3.32
Coffee	7	1.13
Copra-Oil Cake/Meal	1.34	3.67
Unmanufactured Tobacco	1.47	1.09
Coconut Oil	20.02	23.53

Thailand

Chawalit Indicates Will Form Own Party

BK2706030790 Bangkok THE NATION in English 27 Jun 90 pp 1,2

[Text] Ex-deputy premier Gen [General] Chawalit Yongchaiyut has indicated he will form his own political party and reaffirmed his earlier statement that he will run in an election. Chawalit was speaking to reporters during a visit to Hua Hin in Prachuap Khiri Khan before being granted an audience by His Majesty the King at the Klai Kangwon Palace Monday [25 June] night.

Asking reporters as to whether he should form his party and told by one that it was a good option, Chawalit said: "If you say I should form my own party, then I will do it." Chawalit, who has been openly approached by several political parties, said he was waiting for an opportunity to run in an election in the Northeast. "I think it's forthcoming," he said. He did not say whether he intended to run in a by-election or a general election, which is due in 1992 unless the House is dissolved.

Sources said that Chawalit's aides were preparing to submit an application for the registration of a new political party, named Prachachat. The aides claimed they had prepared a list of about 5,000 prospective members and would submit it once the Interior Ministry has accepted the application. The Election Law requires applicants to seek at least 5,000 members within a year as a requirement for registration of the party.

In Bangkok, Prime Minister Chatchai Chunhawan yesterday refused to comment on Chawalit's remarks. "Why don't you ask him? You always ask me questions about others," he said.

Chat Thai chairman Praman Adireksan said it would be a positive step in Thai democracy if Chawalit formed his own political party. Social Action secretary general Montri Pongpanit gave a similar comment on the report. "I would certainly welcome a new party joining the democratic game," he said.

Phalang Tham leader Maj Gen [Major General] Chamlong Simuang also voiced support for Chawalit's plan and held out the possibility that some MPs may defect from their parties to join Chawalit. Forming a new party would enable Chawalit to avoid a variety of difficulties that he would face in joining an existing one, Chamlong said. He did not elaborate. But he said any MPs intending to join Chawalit would have to give serious consideration to the possibility of losing their status as MPs as a result of resigning from their parties.

Chamlong also said he had learned that a group of academics, businessmen and technocrats were ready to back Chawalit. "Therefore, I think he is pretty much ready to launch his own party," Chamlong said. However, he said he did not know who Chawalit's prospective supporters were.

Chamlong said he had advised Chawalit to form his own party instead of joining an existing one. But Ratsadon secretary general Gen Mana Rattanakoset sounded a note of caution, saying it would be difficult for Chawalit to found his own political party. "Take my party as an example, it took time and much energy to build it up," he said.

More on Possibility of Chawalit as Party Member

Sources Say Chawalit To Join

BK2706014590 Bangkok BANGKOK POST in English 27 Jun 90 pp 1, 3

[Text] Prime Minister Chatchai Chunhawan yesterday surprised his party's MPs [members of parliament] by announcing that former deputy prime minister and defence minister Chawalit Yongchaiyut had agreed to join the Chat Thai Party, informed party sources said last night. The sources said Gen [General] Chawalit is likely to be made a deputy party leader.

Sources close to Gen Chawalit and Supreme Commander Sunthon Khongsomphong said they were surprised by the report. Gen Chawalit could not be contacted for comment last night.

Chat Thai Party sources said the surprise announcement was greeted with applause from party MPs who described the development as an "encouraging sign" for Chat Thai. Party secretary-general Banhan Sinlapa-acha first announced the news. "I have good news for you all as our Prime Minister just briefed me that Gen Chawalit has decided to join our party," one source quoted Mr Banhan as saying.

Gen Chatchai then told the party that Gen Chawalit was likely to join Chat Thai as a deputy party leader. The Prime Minister was quoted as saying he would call an urgent executive party meeting to inform the committee of the latest development.

Gen Chatchai said amendments to the party regulations may have to be made to accommodate Gen Chawalit. One party source said the amendment would involve increasing the number of party deputies. There are currently 10.

One senior Chat Thai member said Gen Chawalit would have to file an application to join the party. Gen Chatchai, secretary-general Banhan and party advisory chairman Praman Adireksan would then consider the application. The senior member said he did not think there would be any problems with Gen Praman over Gen Chawalit joining the party. He said there was a 90 per cent chance that Gen Chawalit would join Chat Thai and he would have to resign as a senator should he decide to do so.

Chat Thai Spokesman Somsak Chanduaikit confirmed yesterday that Gen Chawalit's possible joining of Chat Thai was discussed at the party meeting. He said the party members agreed with Gen Chawalit's entry "because he is a capable person". Mr Somsak emphasised, however, that the party had not yet made any resolution on the issue, although everyone agreed that Gen Chawalit would be welcome if he decided to join Chat Thai.

One senior military officer close to Gen Chawalit told the BANGKOK POST last night that he was surprised at the report. "Is it true?" the officer asked, adding that he did not believe it possible that Gen Chawalit would decide to join Chat Thai. "I met him today but he did not mention anything about this issue," the officer said. Another officer close to Gen Sunthon, a close confident of the former defence minister, also expressed doubts about Gen Chatchai's announcement.

Political sources said if Gen Chawalit had agreed to join Chat Thai, it meant that he had made his own final decision after being wooed by a number of political parties to join them as party leader. The main Opposition party, Solidarity, has repeatedly stated that it would like Gen Chawalit to head the party. Solidarity secretary general Chaloemphan Sriwikorn last night said he was stunned by the report. He said he did not expect Gen Chawalit to join Chat Thai. "Is this another of the Prime Minister's tricks to trap Gen Chawalit by making news?" the Nakhon Ratchasima MP asked.

Mr Chaloemphan said he did not understand why Gen Chawalit had agreed to join Chat Thai. "He quit his deputy prime minister's post because he said he could not solve the corruption problem caused by the coalition government. How then can he join the party? "I don't know what to say about this. I am really surprised by this news. Are you sure of this story? I didn't see it on television," the MP said. Mr Chaloemphan said, however, that it was good news to hear that Gen Chawalit had made his stance clear, adding that it was especially good news for democracy in the country.

Prior to last night's development, Gen Chatchai had said he wanted Gen Chawalit to become his successor in the Chat Thai Party, which prompted Mr Banhan to say that this had to be discussed by senior party leaders. Gen Chawalit resigned as deputy prime minister and defence minister prior to Gen Chatchai's visit to Washington, leading to a show of force by key military personnel who pressured for a Cabinet reshuffle.

Secretary General Confirms

BK2706132690 Bangkok Army Television Channel 5 in Thai 1250 GMT 27 Jun 90

[Text] The latest report on General Chawalit Yongchaiyut, confirmed by Banhan Sinlapa-acha, secretary general of the Chat Thai Party at the Parliament at 1930 today is that General Chawalit has decided to join the Chat Thai Party. However, he has asked for time to work things out because he just recently resigned as deputy prime minister and defense minister. The prime minister has already given Chawalit a membership application form for the Chat Thai Party. According to Banhan, Chawalit will be given the best post in the party.

Chatchai Comments

BK2706131790 Bangkok Domestic Service in Thai 1200 GMT 27 Jun 90

[Text] Answering questions from newsmen about General Chawalit Yongchaiyut's joining the Chat Thai Party, Prime Minister General Chatchai Chunhawan said at the National Assembly Building this evening that General Chawalit has not yet joined the Chat Thai Party because he is still a senator. Asked whether General Chawalit has been approached to join the Chat Thai Party or not, the prime minister said that this issue has been discussed for some time. Asked about a news report that General Chawalit submitted his resignation as a senator today, the prime minister replied that he had not been informed of this. Asked what position he will offer to General Chawalit if he joins the Chat Thai Party, General Chatchai said that a good position will be offered to General Chawalit.

When asked what was discussed with General Chawalit this morning, the prime minister said that they discussed normal matters, as they usually meet and have breakfast every Wednesday.

Members Question Proposal

BK2606041190 Bangkok THE NATION in English 26 Jun 90 p 3

[Text] Prime Minister Chatchai Chunhawan's invitation for Gen [General] Chawalit Yongchaiyut to succeed him as leader of the Chat Thai Party has struck a negative chord among senior members of the largest political party.

Sano Thianthong, deputy party leader, said Chawalit cannot become party leader without first becoming a member. Describing Chawali as an "outsider," Sano said there are "steps" Chawalit must follow if he wants to lead the Chat Thai Party. "First he has to be a member... Besides, the party leader has to be elected," Sano who described Chawalit as an "outsider". [as published] However, he said Chawalit's could be a "special case". "He may not have to start from one. He could start at seven, eight or nine to get to ten," he said.

Praman Adireksan, chairman of the party's advisory board, on Sunday [27 June] also questioned Chatchai's invitation to Chawalit. Praman said the invitation was only an expression of Chatchai's personal desire.

Chatchai has repeatedly said he wanted Chawalit, who resigned as deputy premier and defence minister on June 11, to inherit both the premiership and the leadership of the Chat Thai Party which currently forms the core of the six-party coalition government.

Several other senior Chat Thai officials have also questioned Chatchai's motive in extending the invitation to Chawalit. Banhan Sinlapa-acha, the party's secretary general, does not appear enthusiastic about Chatchai's invitation and declined to discuss it with reporters. "The prime minister has not raised the matter with me," said

Banhan who is known to entertain the ambition of becoming party leader himself. Banhan only said he would follow the majority of the party in choosing the next party leader.

Phong Sarasin, a deputy leader of the Social Action Party [SAP], yesterday denied there were attempts by his party to woo Chawalit as its leader. Phong said it would not be easy for Chawalit to take a "short cut" to the SAP leadership. But sources in the party, one of the parties in the coalition, said SAP leaders wanted to have Chawalit succeed Foreign Minister Sitthi Sawetsila as the party leader. The sources said Sitthi had made it known he was ready to step aside for Chawalit. "Phong himself has no objection because he knows he is not ready to succeed Sitthi," one of the sources said.

The only dissenting voice came from Montri Phongphanit, the party's secretary general who is believed to control the majority in the party. "Montri definitely does not want to see Chawalit take over the party. Montri's long-term is to become the leader himself after Phong," the source said. The sources said the move to have Chawalit become SAP leader had been discussed at the party's highest level.

Papers on Chawalit's Refusing Political Post

BK2306112190

[Editorial Report] The 23 June issues of SIAM RAT and BAN MUANG carry editorials on General Chawalit Yongchaiyut's decision not to accept the political post offered by Prime Minister Gen. Chatchai Chunhawan.

The 400-word SIAM RAT editorial on page 8, entitled "An Excellent Decision," says: Gen. Chawalit's "decision to enter the political arena only by running for a seat in parliament and his refusal to accept any political position after resigning from the posts of deputy prime minister and defense minister is a new step by the general which should end the current dispute between the military and the politicians." The editorial concludes: "We welcome Gen. Chawalit's decision and are confident that the dispute and uneasy feelings among various groups of people will end. This should dispel the rumors which have caused uncertainty among investors and doubts among local observers about the survival of democracy in our country."

The 600-word BAN MUANG editorial on page 2, entitled "Democracy Yardstick," says although the constitution does not require that cabinet ministers be elected members of parliament [MP's], politicians, students, and democracy purists set their own democracy yardstick to the effect that cabinet ministers should be picked only from MP ranks. "For this reason, the appointment of an outsider to a cabinet post will invite criticism and ridicule to the extent that the appointee could not work effectively, thus damaging national administration. Therefore, Gen. Chawalit's refusal to accept the posts of deputy prime minister and defense minister is the right decision. That is, he does not want to swim against the current."

Former Palace Aide Made Chatchai's Secretary

BK2706035190 Bangkok THE NATION in English 27 Jun 90 p 1

[Text] Prime Minister Chatchai Chunhawan, in his capacity as defence minister, has appointed a former chief aide-de-camp to HM [His Majesty] the King as his secretary. The appointment was acknowledged by the Cabinet during its weekly meeting yesterday.

Gen [General] Nuan Chantri, 67, who retired two years ago from palace service, replaces Gen Charuai Wongsayan who resigned on June 11, the same day that Gen Chawalit Yongchaiyut resigned as defence minister and deputy premier. Sources said Nuan, who served His Majesty for almost 10 years before retiring at the age of 65, is a well-respected former military officer. Chatchai, who appointed himself defence minister last week after Chawalit's resignation, has known Nuan since childhood, sources said.

"By getting someone like Gen Nuan on his side, Chatchai is sending a signal to his military opponents that he is determined to brave through the current political crisis," one of the sources said. The source said Nuan is respected by both Gen Chawalit and former premier Gen Prem Tinsulanon.

Further on Investigation of Mobile Radio Station

BK2706015790 Bangkok BANGKOK POST in English 27 Jun 90 p 1

[Text] The Mass Communications Organisation of Thailand [MOT] has never sought official permission from the Post and Telegraph Department for the use of a single-sideband radio installed in its mobile radio station, sources said yesterday [26 June]. The MOT radio could be tuned to a frequency of another government unit and jam it, said the sources, who spoke only on condition they not be identified.

The Supreme Command's Internal Peace-Keeping Directorate seized the MOT mobile station from a temple in Nong Khaem District and questioned its four technicians on Friday [22 June].

Supreme Command spokesman Narudon Detpradiyut said yesterday he could not comment on the issue following Prime Minister Chatchai Chunhawan's instruction on Monday [25 June] that all parties concerned stop talking about it. Lt-Gen [Lieutenant General] Narudon refused to say when the mobile station would be returned to the state enterprise.

Government Spokesman Suwit Yotmani said yesterday he had not yet received a report on the inspection of the MOT radio station by the Post and Telegraph Department. Until October last year, state enterprises did not need to have their electronic equipment registered at the Post and Telegraph Department, he said. Under current regulations, the equipment must be registered within 120 days of its purchase, but there were hundreds of thousands of eletronic items for the Post and Telegraph Department to clear, the spokesman said. In reality, the department allowed the use of electronic equipment upon request by state firms without having its officials thoroughly inspect it first, he said.

Narudon Comments

BK2606025990 Bangkok BANGKOK POST in English 26 Jun 90 p 3

[Text] Supreme Commander Gen [General] Sunthon Khongsomphong in his capacity as Internal Peace-Keeping Director "has the power to maintain internal law and order without the country being subject to a state of emergency or martial law," Supreme Command Information Director Lt-Gen [Lieutenant General] Narudon Detpradiyut said yesterday.

Lt-Gen Narudon was commenting on a report which quoted an aide to Prime Minister Chatchai Chunhawan as questioning Gen Sunthon's authority to investigate the Mass Communications Organisation of Thailand [MOT] for allegedly using a high-powered mobile radio station to jam and intercept military communications. He said the Supreme Commander's power to "act quickly in the maintenance of internal law and order" is in accordance with the Internal Peace-Keeping Director Act (B.E. 2519). The power could be executed even if the country is not under a state of emergency or martial law since the latter two situations would be declared under separate laws, Lt-Gen Narudon said.

In accordance with the Internal Peace-Keeping Director Act, the supreme commander was appointed to take charge of the job in 1978, or two years after the law was promulgated.

In a statement clarifying the matter, Lt-Gen Narudon said the military personnel (from the Navy) and police officials who were assigned the task had invited the four MOT officials for questioning without causing any damage to the equipment. He added the four MOT officials had cooperated well. "The operation was to invite them for checking and questioning. If it can be established that some wrongdoing has been committed, due process would then be taken in accordance with the law," said Lt-Gen Narudon's statement.

Truck Unlikely To Be Returned

BK2606045590 Bangkok THE NATION in English 26 Jun 90 p 1

[Excerpt] The armed forces are unlikely to return the powerful mobile multi-purpose transmission station to the Mass Communications Organization of Thailand [MCOT] in the face of the present political standoff, informed sources told THE NATION yesterday.

The sources said that the mobile station was capable of eavesdropping on radio communications, transmitting TV and radio messages as effectively as a TV or radio station, and jamming the broadcasts of permanent TV and radio stations.

The military is expected to drag its feet during the joint investigations with the Post and Telegraph Department into the sophisticated electronic equipment installed in the mobile station, the sources said. [passage omitted]

4th Army Region To Campaign Against Separatists

BK2506030990 Bangkok BANGKOK POST in English 25 Jun 90 p 3

[Text] The Fourth Army Region will soon launch a major operation against separatist movements in the southernmost provinces, local sources said yesterday. The three-month operation would not rely solely on military means but would also use political measures and civil work to foster better understanding with local people, the sources said.

The operation was in response to calls from local people for the Government to take strong action against terrorism in the South, the sources said. All government security units in the area as well as elite troops from the Special Warfare Unit from Lop Buri would join regular soldiers and army-trained rangers in the operation, the sources said. "It will be the biggest operation ever staged against separatist movements," said a local source who estimated that about one thousand security troops would be involved.

The suppression forces would be deployed to wipe out terrorist bases in their four main mountain hideouts in the three southernmost provinces of Pattani, Yala and Narathiwat, the sources said. The four mountain areas straddling the three provinces were Khao Budo, Khao Motae, Khao Thawi and Khao Buyo, they said.

The sources said there would be three zones of operation. A combined force of soldiers and rangers would be deployed in the inner mountain zone or "red zone" where the separatists were believed to have their strongholds, the sources said. The middle zone would be the responsibility of the Border Patrol Police, they said. Local defence forces would be responsible for the outer zone where most villages were located, the sources said.

According to a Fourth Army intelligence officer, about 150-200 terrorists were operating in Patani, Yala, and Narathiwat.

Industry Ministry Lifts Ban on Glass Factories

BK2306030390 Bangkok BANGKOK POST in English 23 Jun 90 p 15

[Text] The Industry Ministry has decided to lift its ban on new glass factories, in a move to satisfy the United States.

Industry Minister Praman Adireksan said his decision to allow free establishment and expansion of glass-making projects followed instructions from Prime Minister Chatchai Chunhawan yesterday. He said he had told Industry Permanent Secretary Siwawong Changkhasiri to draft an announcement lifting the ban.

Shortly before Gen [General] Chatchai left for an official visit to the US, Pol Gen [Police General] Praman required an amendment of the ministry's five-year ban on new glass projects, reducing the period to three years to meet the US demand. But before Gen Chatchai left for the US, he asked Pol Gen Praman to give an assurance that the ministry would lift the ban entirely, a source said.

Gen Chatchai told US Commerce Secretary Robert Mosbacher the ban issue would be resolved by the end of this month.

US-based Guardian Industries had planned a joint venture with Thailand's giant industrial conglomerate, the Siam Cement Group, to set up a float glass factory in Thailand. But in April last year, then Industry Minister Banhan Sinlapa-acha imposed a five-year ban on new glass factories and expansion of existing ones. His ruling was based on information supplied by the Thai-Asahi Group, the biggest glass manufacturer in Thailand, that the supply of glass would be sufficient to meet local demand for at least five years. The ban automatically shelved the 3,000-million-baht project. The move prompted a series of protests by the US firm and government.

After taking over the portfolio, Pol Gen Praman ordered a study of the domestic market for glass. It showed the supply would not meet demand. But Thai-Asahi argued the supply would be sufficient if the Board of Investment lifted a requirement for its new affiliate's glass project to export at least 50 percent of its production. Pol Gen Praman said that after the ban was lifted, any investor planning a glass factory must apply to the Industry Ministry. "The applications will be considered and approved by the ministry which will take each project's production capacity, export plan and domestic demand into account in considering approval for them," he stressed.

MTA Statement Urges Army To 'Avoid Meddling'

BK2606042390 Bangkok THE NATION in English 26 Jun 90 p 2

[By Kamphon Kotsaengma]

[Text] Chiang Mai—Opium warlord Khun Sa's Muang Tai Army [MTA] yesterday urged the Thai army to avoid meddling in the on-going battles that his forces are engaged in with the Wa army. MTA, in its statement to Thai officers in this northern border with Burma, cited field reports of some 20 Thai troops accompanying a Wa company of 250 armed soldiers deep inside the MTA operational zone of Doi Lang, opposite Chiang Mai's Mae Ai district.

MTA and the United Wa State Party (UWSP), which were the main forces of the now defunct Burma Communist Party, have reportedly competed militarily for the control of drug trafficking routes in the area since early this year. The fighting caused some of the Burmese minority combatants to stray into Mae Ai District.

The Third Region Army's Border Patrol Police [BPP] had recently stepped up border patrols in the area to push the combatants out of Thai territory and prevent further fighting from spilling into Thai soil.

The MTA's statement, signed by Doi Lang Field Commander Col [Colonel] Yiap Muang, said the Thai military operations of this sort would probably develop into a "triangular" conflict. "When there is a necessity (for Thai soldiers) to deport Wa soldiers out of Thai soil, beware not to pass through or intrude into our operational zone," said the statement.

Thai security sources at the border said the BPP was successful in persuading about 250 Wa soldiers to leave Thai soil but failed with the MTA fighters. The sources said the MTA fighters led by Col Yiap Muang, who are now digging in at Doi Lang, told Thai soldiers that they are waiting for a permission from their high command to withdraw from the area. Some 100 rangers from the Third Region Army were sent to reinforce the BPP troops at the border on June 20 in the operations, the sources said.

Vietnam

National Assembly Holds Further Discussions

Communique No. 5 Issued

BK2506151990 Hanoi Domestic Service in Vietnamese 1430 GMT 25 Jun 90

["Eighth National Assembly's Seventh Session Communique No. 5"]

[Text] On the morning and afternoon of 25 June, the National Assembly met at the conference hall to discuss the draft of Vietnam's maritime law and the draft of a law on amendments to provisions of the law on foreign investment in Vietnam. The meeting was held under the direction of National Assembly Vice Chairman Phung Van Tuu.

1. After Bui Danh Luu, minister of communications, transportation, and posts—on behalf of the Council of Ministers—presented a report on opinions solicited from National Assembly deputies on the draft maritime law, eighteen National Assembly deputies focused their views on the following issues:

- —State management over maritime activities at various seaports;
- —Private ownership of Vietnamese sea vessels;
- —Attraction of foreign investment in maritime operations in Vietnam.

2. After Vo Dong Giang, minister and deputy head of the State Commission for Cooperation and Investment—on behalf of the Council of Ministers—presented a report on opinions contributed by National Assembly deputies on the draft law on amendments to some provisions of law on foreign investment in Vietnam, sixteen National Assembly deputies focused their opinions on the following issues:

—Authorization for Vietnamese private parties to form their own groups and enter joint ventures with foreign investors;

—Authorization for Vietnamese economic organizations and private foreign economic organizations to form their own groups and enter joint ventures with one another;

—Reduction or exemption of income tax for joint enterprises specializing in the production of goods that replace essential imported ones that cannot be produced locally or cannot fully meet market demands in Vietnam.

The National Assembly voted on these issues and assigned the drafting committees to revise these two draft laws for submission to the National Assembly for approval at its closing session.

On the morning of 25 June, the National Assembly continued its work at the conference hall to discuss the draft law on amendments to some provisions of the criminal procedure code. Next, the deputies held group discussions.

26 Jun Morning Session

BK2606055190 Hanoi Domestic Service in Vietnamese 0500 GMT 26 Jun 90

[Text] According to a Voice of Vietnam correspondent, this morning, National Assembly deputies continued their work at the conference hall discussing the draft law on amendments to some provisions of the criminal procedure code. Comrade Tran Quyet, chief procurator of the Supreme People's Organ of Control, presented the opinions solicited from National Assembly deputies' group discussions on this draft law, and gathered the views expressed by National Assembly deputies on this occasion.

Next, the deputies discussed and decided on the following issues:

—Four hundred of the 416 deputies voted for the amendments to some provisions of the criminal procedure code.

—Four hundred and seven of the 416 deputies voted for the authorization for organs of control and the court to extend the time of legal proceedings and handling court cases.

—Four hundred and ten of the 416 deputies voted for the authorization for the court to extend the time of committal for trial.

News Conference Held

BK2706052790 Hanoi Domestic Service in Vietnamese 2300 GMT 26 Jun 90

[Text] On 26 June, the Office of the National Assembly and the State Council held a news conference to publicize activities of the SRV Eighth National Assembly's seventh session.

The current session is deliberately discussing many pressing issues to make the best decisions to help the country overcome acute difficulties and to improve the people's daily life. National Assembly deputies expressed different viewpoints on the Council of Ministers' report on the socioeconomic and budgetary situation during the first half of the year. The Council of Ministers seriously took note of these viewpoints for studying and for revising its work plans to be presented to the National Assembly and the people throughout the country.

National Assembly deputies paid keen interest to the present situation of the state budget and its implementation in the days ahead. Many deputies also expressed different viewpoints on the proposal on redrawing the administrative boundaries of some provinces and cities. Some said that it is necessary to reconsider the planned corporation and division of provinces. The majority of the deputies, however, said that the present situation is not suitable for redrawing of provinces because the National Assembly has received letters from a wide segment of the people opposing the redrawing and pointing to the negative aspects of this task.

In preparation for the election of head of the National Assembly Economic, Planning, and Budget Committee, delegates nominated eight candidate deputies for the post, but seven of them withdrew from the list.

Dealing with the coverage of the Eighth National Assembly's seventh session by the mass media, comrade Vu Mao thanked newsmen and conveyed many deputies' appreciation to the newsmen for their high sense of responsibility in promptly and accurately presenting news and information on all activities of the current National Assembly session.

27 Jun Morning Session

BK2706061090 Hanoi Domestic Service in Vietnamese 0500 GMT 27 Jun 90

[Text] This morning, 27 June, the National Assembly held a plenary session at the Ba Dinh Conference Hall. National Assembly Chairman Le Quang Dao directed the session.

The National Assembly heard Nguyen Cong Tan, minister of agriculture and food industry; Hoang Minh Thang, minister of commerce; Tran Dinh Hoan, minister of labor, war invalids, and social welfare; and Hoang Quy, minister of finance, answer questions of National Assembly deputies.

At the recommendation of National Assembly Chairman Le Quang Dao, the National Assembly unanimously agreed that Comrade Nguyen Hoa should continue in his position as acting head of the National Assembly Economic, Planning, and Budget Committee until the end of the Eighth Legislature of the National Assembly.

The National Assembly will continue its session at the conference hall this afternoon.

Nguyen Van Linh Holds Meeting With Scientists

BK2306080090 Hanoi VNA in English 0725 GMT 23 Jun 90

[Text] Hanoi VNA June 23—General Secretary of the Communist Party of Vietnam Central Committee Nguyen Van Linh met with nearly 100 Vietnamese scientists at the party Central Committee's office here recently.

At this two-day metting, 40 scientists presented their views on how to make sciences and technology the real driving force behind socio-economic development. Of them, the social scientists noted that social science has made considerable progress and that it not only illuminates the government's policies as it always solely did in the past but has also taken part in the policy-formulating process. Meanwhile, those working in various branches of natural science and technology brought out some major scientific-technological achievements that have helped raise labour productivity and socio-economic efficiency, especially in agricultural production.

On measures to solve Vietnam's scientific and technological problems, many speakers pointed to the importance of promoting democracy in scientific research and respecting individual creativeness, as well as to the need of applying cost-accounting in scientific research.

For his part, Nguyen Vanh Linh commended the scientists and technologists for their important contributions to the national life. He reiterated that the Communist Party and State of Vietnam always set great score by the contingent of scientists and technologists, a valuable capital of the country.

With particular regard to social science, he said at present when the reactionary forces in the country and the world are counter-attacking socialism and trying to discard Marxism-Leninism, the social scientists should motivate the masses to clearly discern the fact that no (no) other doctrine than Marxism-Leninism and no (no) other ways than socialism can bring about labour emancipation, prosperity and happiness to the working people. Social science must make its active contributions to this ideological struggle, Nguyen Van Linh emphasized.

Ideological Seminar on Applied Science Held

BK2306111190 Hanoi Domestic Service in Vietnamese 1100 GMT 21 Jun 90

[Text] On 20 June, the party Central Committee Department of Ideology held a seminar on applied science dealing with the ideological situation at the grass-roots level in rural areas, the plains, and the Bac Bo midlands. This theme has been studied for several years and has attracted the attention of many departments and services. Many specialists from the Central Committee Department of Ideology as well as from various institutes, agencies, sectors and mass organizations at the central level, in the provinces, and in the cities attended the seminar.

The participants in the seminar generally assessed the present ideological situation of party bases in rural areas, the plains, and the Bac Bo midlands; the strong and weak aspects of the situation; and the emerging problems which are to be promptly studied and resolved. They also analyzed in detail the causes of positive changes and outstanding problems which have adversely affected the spiritual and ideological life in rural areas. At the same time, they proposed some guidelines and measures to improve the ideological task in rural areas, to help implement effectively the party Central Committee's eighth plenum resolution, and to prepare continually for the seventh party congress.

Vo Chi Cong Addresses 'Outstanding Children'

BK2506101590 Hanoi Domestic Service in Vietnamese 1100 GMT 23 Jun 90

[Text] Hanoi's eighth congress of Uncle Ho's good nieces and nephews opened at the Children's Palace in Hanoi on 23 June with the participation of 200 outstanding children. Attending the opening session were Comrades Vo Chi Cong, chairman of the Council of State; Ha Quang Du, first secretary of the Ho Chi Minh Communist Youth Union [HCMCYU] Central Committee; Tran Luu Vi, deputy secretary of the Hanoi municipal party committee; and Pham Loi, chairman of the Hanoi municipal people's council.

Addressing the congress, Chairman Vo Chi Cong commended the Hanoi children—Uncle Ho's good nieces and nephews—for their notable achievements. The chairman expressed the hope that the Hanoi Vanguard Teenagers Unit will strengthen its organization and continue to engage in good deeds to be worthy of being Uncle Ho's good nieces and nephews. The chairman also highly commended the Hanoi municipal party and people's committees for their good care extended to the children of the capital. He hoped that the Hanoi people will do their best to help guide the children and teenagers in the capital city, because these young pioneers will be masters of the nation in the future. Representatives of the Hanoi children pledged that they will satisfactorily carry out the advice given by Chairman Vo Chi Cong.

On this occasion, the HCMCYU Central Committee Secretariat presented emulation banners to representatives of the Hanoi Vanguard Teenagers Unit, and the Hanoi Communist Youth Union presented commending certificates to units and individuals who scored outstanding achievements.

The Hanoi congress of Uncle Ho's good nieces and nephews will last for three days.

Protective Zone for Power Plant Approved

BK2406080990 Hanoi VNA in English 0721 GMT 24 Jun 90

[Text] Hanoi VNA June 24—The chairman of the Vietnamese Council of Ministers has approved a project of investment in building a protective economic zone along the reservoir of the Hoa Binh hydroelectric power project in the northern province of Ha Son Binh.

The zone consists of two stretches of land, 200 kilometers long and two meters wide on average as measured from the fringe of the water surface in the reservoir, totally covering 79,740 hectares [ha].

The project is aimed at creating the protective capability for the vital places in the zone, restoring the ecological equilibrium, protecting the environment in the whole northeastern region, and gradually improving the living standard of the local people. In this zone, about 30,000 ha will be covered with pulpwood forests, and another 30,000 ha will be reserved for the natural regeneration of forests.

The total investment for this project is estimated at 33 billion Vietnamese dong to be drawn mainly from the state budget. Contributions to any extent from all economic sectors and branches in the country and from foreign investors are also welcome.

State Committee for Automation Established

BK2306110190 Hanoi Domestic Service in Vietnamese 1100 GMT 21 Jun 90

[Text] On 15 June, the Council of Ministers chairman issued a decision on the organization and implementation of the uniform automation program. According to this decision, the heavy industry ministry will serve as a terminal to organize, establish and implement various programs and projects related to uniform automation in Vietnam. The state operation committee for automation is composed of the heavy industry minister as chairman and representatives of the Heavy Industry Ministry, the State Science Commission, the Education Ministry, the State Planning Commission, and Vietnam Technology Institute as deputy chairman, secretary and members. [as heard]

Ho Chi Minh City Journalists Mark Press Day

BK2306105590 Hanoi Domestic Service in Vietnamese 1100 GMT 21 Jun 90

[Text] This morning, 21 June, the Journalists' Association of Ho Chi Minh City held a get-together to commemorate Vietnam Press Day. Comrade Vo Tran Chi, secretary of the city party committee, attended and addressed the get-together. He repeatedly urged city journalists to work even harder and braver in the current renovation process. He suggested that a press movement to follow great Uncle Ho's examples be launched. On this occasion, the Journalists' Association distributed the 1989 Press Prizes to many reporters and authors who have been instrumental in the renovation of socioeconomic life.

Downpours Cause Damage to Binh Dinh Province

BK2706085190 Hanoi Domestic Service in Vietnamese 1430 GMT 25 Jun 90

[Text] Due to a recent tropical depression, Binh Dinh Province experienced heavy downpours on 14-15 June. The downpours raised the water level in the Cong River of Binh Tuong District to more than 21 meters—a normal level is 15-20 meters—and high water levels in other rivers. The province also experienced waterlogging in many areas, causing damage to almost 9,800 hectares of the summer-fall rice and thousands of hectares of wheat, sweet potatoes, beans, and peanuts, mostly in districts of Phu Cat, Phu My, Tuy Phuoc, An Nhon, and Hoai Nhon.

According to preliminary reports, flash floods swept away five banana plantations, damaged five irrigation dams and three dikes, and seriously damaged 3,000 meters of irrigation canal—80 meters of which were built with concrete. The damage was estimated at 970 million dong.

The Binh Dinh provincial water conservancy sector is guiding flood-stricken districts and irrigation units to promptly overcome consequences of the flash floods and to ensure sufficient water for the summer-fall crop and the upcoming 10th-month rice crop.

Paper Criticizes U.S. 'Hostility' Toward PLO

BK2606083190 Hanoi VNA in English 0702 GMT 26 Jun 90

[Text] Hanoi VNA June 26—The national daily NHAN DAN today runs a commentary criticizing the United States' unilateral suspension of its negotiations with the Palestine Liberation Organization (PLO) as a "new hostile act against the PLO."

The paper notes that the U.S. hostility is being condemned by public opinion in the Arab countries as well as in other countries.

The paper points out that because of Washington's lack of goodwill attitude the U.S.-PLO negotiations, which started in November 1988, have made no progress. It says: "The United States' unilateral suspension of negotiations with the PLO is clearly a negative move running counter to the trend of peace and the aspiration of the progressive people in the world. This also lends a hand to Tel Aviv to continue its policy of repression, expansionism, and aggression against the Palestinians and other Arab people."

"It is obvious that Washington and Tel Aviv are great obstacles to the process of peace in the Middle East," the paper says in conclusion.

Do Muoi Receives Soviet Ambassador Kachin

BK2306154490 Hanoi VNA in English 1447 GMT 23 Jun 90

[Text] Hanoi VNA June 23—Do Muoi, Politburo member of the Communist Party of Vietnam Central Committee and chairman of the Council of Ministers, received Soviet Ambassador D. Kachin at the Presidential Palace this afternoon.

The Soviet ambassador informed Chairman Do Muoi of the recent meeting between Presidents M. Gorbachev and G. Bush in Washington.

Speaking to his guest, Chairman Do Muoi welcomed the outcome of the meeting [words indistinct] of disarmament and the improvement of the Soviet-American relations.

The Vietnamese leader also reaffirmed strong support for the Soviet Union's efforts aimed at maintaining world peace and establishing a cooperation of equality and respect for all nations' independence and sovereignty. Deputy Foreign Minister [words indistinct] present at the reception.

Scientific Cooperation With USSR Promoted

BK2406154090 Hanoi VNA in English 1453 GMT 24 Jun 90

[Text] Hanoi VNA June 24—A cooperation programme for the 1990-91 period between the Vietnam Institute of Sciences and the Academy of Sciences of the USSR was signed here recently during a working visit to Vietnam of a delegation of the Soviet Academy of Sciences.

Signatories to the document were Nguyen Van Hieu, member of the Communist Party of Vietnam Central Committee and director of the Vietnam Institute of Sciences; Pham Xuan Nam, vice-director of the Vietnam Social Science Institute and academician E.V. Sokolov, member of the presidium of the [words indistinct] of the USSR.

Joint Venture With USSR Planned for 1992

BK2506090790 Hanoi VNA in English 0714 GMT 25 Jun 90

[Text] Hanoi VNA June 25—A contract to set up a joint enterprise called Vietsobio to produce bio-synthetic products in service of animal husbandry was signed in Ho Chi Minh City on June 22 by the Union of the City's Pharmaceutical Products and Medicinal Plants Enterprises and the Union of Bio-Medicinal Industry of the Ukrainian Soviet Socialist Republic, USSR.

The construction of the enterprise with a capacity of 270 tons of products a year will start in Thu Duc suburban district in 1991 with 58 percent of the total investment from the Ukrainian side.

It will be put into operation in 1992, and its products will mainly be used for poultry and livestock breeding in Vietnam, the Soviet Union and for export.

NHAN DAN Supports Korean Reunification

BK2506085090 Hanoi VNA in English 0709 GMT 25 Jun 90

[Text] Hanoi VNA June 25—The national daily NHAN DAN, today affirms the Vietnamese people's sympathy and full support for the cause of peaceful national reunification of the people of both North and South Korea.

In a commentary on the occasion of a "Month for Solidarity With the Korean People's Common Struggle for the Withdrawal of U.S. Troops From South Korea," beginning every year from June 25, NHAN DAN says:

"Vietnam highly appreciates the efforts and new, important initiatives of the Democratic People's Republic of Korea aimed at accelerating the implementation of this urgent, important national task."

The paper also voices its full support for the DPRK's reasonable plans, proposals and stance including the participation of Korea in the United Nations and the demand for the total withdrawal of U.S. troops from South Korea.

"The Vietnamese people firmly demand that the U.S. Administration and the South Korean authorities seriously respond to the DPRK's goodwill proposals aimed at accelerating the process of dialogues and contacts, and quickly improving the situation of the Korean peninsula, thus leading to the end of the division of that country for more than 40 years now," the paper says in conclusion.

Leaders Send Messages to Romanian Officials

Do Muoi Greets Premier

BK2506044790 Hanoi VNA in English 1444 GMT 23 Jun 90

[Text] Hanoi VNA June 23 - Chairman of the Council of Ministers Do Muoi on Friday [22 June] congratulated Petre Roman on his appointment as prime minister of Romania.

Chairman Do Muoi expressed wishes for further consolidation and development of the traditional friendship and cooperation between the two countries in the interests of the two peoples, and for peace and social progress.

Le Quang Dao Greets Leaders

BK2206161190 Hanoi VNA in English 1441 GMT 22 Jun 90

[Text] Hanoi VNA June 22—Chairman of the Vietnamese National Assembly Le Quang Dao has sent his congratulations to Alexandru Birladeanu and Dan Martian on their elections respectively as president of the Senate and speaker of the Chamber of Deputies of Romania.

The congratulatory messages wish the existing friendship and cooperation between the peoples and legislative bodies of the two countries constant consolidation and development.

Foreign Ministry Delegation Visits Malaysia

BK2506155690 Hanoi VNA in English 1517 GMT 25 Jun 90

[Text] Hanoi VNA June 25—A delegation of the Vietnamese Foreign Ministry led by its deputy minister Vu Khoan visited Malaysia from June 18-23.

The delegation attended an international round-table conference sponsored by the Malaysian Institute for Stategic and International Research. At a specific seminar on Vietnam the participants valued highly the process of renovation now taking place in Vietnam and expressed their wishes to broaden cooperation with Vietnam. It was received by Malaysian Foreign Minister Omar Datuk Abu Hassanan [words indistinct] of the Malaysian Foreign Ministry led by Standing Secretary Ahmad Kamil. The two sides compared notes on regional situation and measures aimed at strengthening cooperation between the two countries and discussed the issue of Vietnamese departure by boats to Malaysia.

The delegation also made contacts with minister of finance, minister of trade and industry, representatives of the Department of Economy and Planning under the Prime Minister's Office, the organ for industrial development, the MCR [expansion unknown] company and many Malaysian businessmen. They stressed the significance of strengthening economic cooperation with Vietnam.

Vietnamese Charge d'Affaires A.I. Pham Dinh Thai was present at the delegation's activities.

Leaders Greet Mozambique's Independence Day

BK2506090590 Hanoi VNA in English 0733 GMT 25 Jun 90

[Text] Hanoi VNA June 24—General Secretary of the Communist Party of Vietnam Central Committee Nguyen Van Linh and State Council President Vo Chi Cong today sent their greetings to Joaquim Alberto Chissano, president of the Frelimo Party and of the People's Republic of Mozambique, on the occasion of Mozambique's 15th Independence Day (June 25).

In their joint message, the Vietnamese leaders praised the achievements recorded by the Mozambican people under the leadership of the Frelimo party in consolidating their national independence, developing their economy and stabilizing their social life. They expressed the Vietnamese people's joy at those achievements and sincerely wished the fraternal Mozambican people still greater achievements in safeguarding their revolutionary gains and in building a prosperous Mozambique, thereby contributing actively to the common cause of peace, national independence, democracy and social progress.

"May the Vietnam-Mozambique solidarity, friendship and cooperation be constantly consolidated and developed," the Vietnamese leaders said in the message.

Vo Chi Cong Sends Sympathy Message to Iran

BK2306154090 Hanoi VNA in English 1446 GMT 23 Jun 90

[Text] Hanoi VNA June 23—State Council President Vo Chi Cong today sent his sympathy to his Iranian counterpart, Ali Akbar Hashemi-Rafsanjani over great losses caused by the recent earthquake to the Iranian people.

The Vietnamese leader wished that normal life would soon return to the people in the stricken area.

Prague Conference on Vietnamese Workers Noted

BK2206160790 Hanoi Domestic Service in Vietnamese 0500 GMT 21 Jun 90

[Text] Left-wing forces recently held a conference in Prague with the participation of 60 persons, including three Vietnamese worker students and some members of the Communist Party of Czechoslovakia, to discuss ways to counter racial discrimination against Vietnamese workers. The conference participants held that recent cases of battery against Vietnamese workers constituted a threat to democracy in the CSFR, and they demanded that the interests of Vietnamese workers in the CSFR be protected.

Japan To Donate $10 Million in Medical Aid

BK2606152890 Hanoi VNA in English 1453 GMT 26 Jun 90

[Text] Hanoi VNA June 26—The government of Japan, in cooperation with three Japanese [words indistinct] has decided to donate Vietnam an amount of vaccine worth 10 million US dollars for the newborn babies.

Of the total 242,000 units of HB vaccine, 115,000 units were delivered to Vietnam via Moscow last February through the Western Pacific regional office of the World Health Organisation. The rest is expected to arrive here soon.

Australia

Evans Blasts France for Nuclear Test in Pacific

BK2706100490 Hong Kong AFP in English 0942 GMT 27 Jun 90

[Text] Canberra, June 27 (AFP)—Foreign Affairs Minister Gareth Evans Wednesday [27 June] blasted France for its latest nuclear testing in the Pacific Ocean. Mr. Evans said that Australia was opposed to France exploding nuclear weapons in the area and was disappointed that the French kept testing devices against the wishes of Pacific Ocean countries.

Earlier Wednesday France announced it had set off a nuclear blast in French Polynesia.

Mr. Evans said the Australian Seismological Centre detected the underground explosion which was the equivalent of between 40,000 and 150,000 kilotonnes of TNT.

The explosion was the third this year, with eight similar tests recorded last year.

Chinese Students To Receive Four-Year Reprieve

BK2706061890 Hong Kong AFP in English 0604 GMT 27 Jun 90

[Text] Canberra, June 27 (AFP)—Australia will grant a four-year reprieve for about 20,000 Chinese students who were in Australia during last year's Beijing massacre, Prime Minister Bob Hawke said here Wednesday [27 June].

No Chinese student would be sent back to China under the present Beijing government but they would not get permanent residence here, he said in a statement.

Following last year's massacre, Australia granted the students extended stays pending a decision on their future.

On June 6 Mr. Hawke created a public furore by announcing Australia would offer refugee status to the Chinese students while about 200 Cambodian boat people would be deported.

On Wednesday Mr. Hawke said a special category would be created for the Chinese students, most of whom came here to study English. He said no Chinese national will be required during the next four years or subsequently to return to China against their will unless they "seriously breached Australian laws." Whether they stay beyond four years "will depend upon conditions then prevailing in China." "Unless we were confident that the situation in (China) was such that human rights were no longer generally at risk, permanent residence would be granted to those who apply."

The government was still to decide what benefits such as social security, health and employment rights the Chinese students would be allowed.

Chinese nationals who arrived in Australia after the cut-off date would not be entitled to the special four year permit.

The government also said Wednesday it would cut Australia's annual immigration intake by 14,000 to 126,000. Immigration Minister Gerry Hand said the changes to policy resulted from the rise in foreigners seeking to stay here citing political unrest in their homelands. People assessed as refugees on humanitarian grounds would be provided with temporary entry permits and not granted resident status as now happened, he said.

"In particular, Australia's commitment regarding the resettlement of Indochinese refugees remains strong," he said.

Fiji

Rabuka Says Aims Achieved; To Visit Lebanon

BK2606112090 Hong Kong AFP in English 1105 GMT 26 Feb 90

[Text] Suva, Jun 26 (AFP)—Fiji's military commander Major General Sitiveni Rabuka said Tuesday [26 June] the aims of his two 1987 coups had been achieved following the adoption of a draft constitution by the country's ceremonial chiefs.

Maj. Gen. Rabuka said he was "particularly pleased" with the Great Council of Chiefs' endorsement Monday of a draft document which guarantees political supremacy for indigenous Fijians in this racially divided country.

Bidding farewell to a battalion of 120 soldiers bound for Lebanon, he said it was probably the last time he would be performing this function, a further indication of his wish to return to politics. Maj. Gen. Rabuka announced last week he intended to resign his military post after the Constitution is promulgated.

The 41-year-old military strongman also revealed that he plans to visit Lebanon in September to inspect Fijian forces serving with the United Nations. It will be only the second time he has left the country since his may 1987 coup which ousted Fiji's first Indian-dominated government. In April Maj. Gen. Rabuka visited Malaysia, South Korea and China to request training for Fijian military officers and also to shop for military equipment.

Opposition leader Adi Kuini Bavadra on Tuesday asked Fiji's interim government to put the new Constitution to a national referendum. She said although her mainly ethnic Indian-backed coalition party held the "greatest respect for the great council of chiefs, I think the Constitution for Fiji's 727,000 people is too important a document, the supreme law, to be decided by 60 or 70 people." She said a national referendum would ensure consensus on the document that has been rejected outright by Fiji's large 337,000 Indian community who claim they have been degraded to second class citizens. "To ensure everyone has a say in it, the Constitution should go to referendum. It should have the participation of all people in Fiji as it is their political destinty that is at stake," she said.

New Parliament Expected Within 20 Months

BK2606004790 Hong Kong AFP in English 0025 GMT 26 Jun 90

[Text] Suva, June 26 (AFP)—Fiji will return to parliamentary government in 18 to 20 months, Fijian Affairs Minister Vatiliai Navunisaravi said here Tuesday [26 June] after the country's powerful chiefs approved a new constitution.

The minister, who chaired three days of deliberations by the 70-member great council of chiefs, said it had paved the way for a return to elected government, which ended when the Army deposed the Indian-dominated government of Timoci Bavadra in May 1987.

Lieutenant-Colonel Navunisaravi told the FIJI TIMES that the draft constitution would go to the interim military-backed cabinet for ratification before President Ratu Sir Penaia Ganilau promulgated it.

A communique issued after the chiefs meeting ended Monday [25 June] said they had resolved to set up a new political party, open exclusively to people of Melanesian or Polynesian origin, who make up about half the population of 720,000.

The chiefs have agreed to contest 32 of the 37 parliamentary seats which would be allocated to indigenous Fijians under the constitution, drawn up to guarantee them control of the legislature. The draft constitution would give ethnic indians 27 seats in parliament, reserving five more for other minorities.

The communique said the new party "should work to guarantee, protect and strengthen political rights and the political future of indigenous Fijians."

The chiefs said that while the new party's membership should be restricted to indigenous Fijians, it should "accommodate association with other political ethnic groups. The chiefs fully understand that Fiji is a multiracial country."

Fiji's only multiracial political group, the National Federation-Fiji Labour Party coalition is currently headed by the widow of deposed prime minister, Adi Kuini Bavadra.

'Masked Men' Vandalize Home of Trade Unionist

BK2706070890 Melbourne Overseas Service in English 0500 GMT 27 Jun 90

[Text] Police in Fiji say masked men had vandalized the home and car of the country's most prominent ethnic Indian trade unionist, Mr. Mahendra Chaudhary. Chaudhary said five Fijians, four of whom wore masks, [words indistinct] dawn smashing all the windows at his house with iron bars before vandalizing his car. He said his attackers had not stolen anything but had carried out their raid to intimidate him because of his political affiliations.

Police responded quickly to his call but had arrived too late to catch those involved in the raid.

Mr. Chaudhary is the secretary of the Fiji Trade Union Congress and was finance minister in the deposed government of Dr. Timoci Bavadra.

French Polynesia

France Explodes Nuclear Device at Mururoa

BK2706071690 Melbourne Overseas Service in English 0500 GMT 27 Jun 90

[Text] France says it has exploded another nuclear device at its underground test site at Mururoa atoll in the South Pacific. The defense minister said in a statement issued in Paris that the yield from the blast was less than 100 kilotons.

Last month, President Mitterrand overturned the policy of never confirming or denying whether a nuclear test had been carried out.

The latest test was the second at Mururoa since the new policy was introduced and the third of six planned for this year.

New Zealand

Moore Terms Fiji's Draft Constitution 'Racist'

BK2706070290 Melbourne Overseas Service in English 0500 GMT 27 Jun 90

[Text] New Zealand's external affairs minister, Mr. Moore, has described Fiji's new draft constitution as racist and discriminatory. But he says the New Zealand Government has to decide how best to [words indistinct] Fiji and that does not include sanctions which were ruled out at the time of the 1987 military coups there.

Mr. Moore added that sanctions against South Africa took 20 years to have any effect.

Australia's foreign minister, Senator Gareth Evans, said yesterday he regretted what he described as the undemocratic features of Fiji's new draft constitution. He said it was not too late for dialogue between the interim government there and the ousted coalition and ethnic groups. He said the best prospects for an outcome to Fiji's problems [words indistinct] acceptable to all its communities.